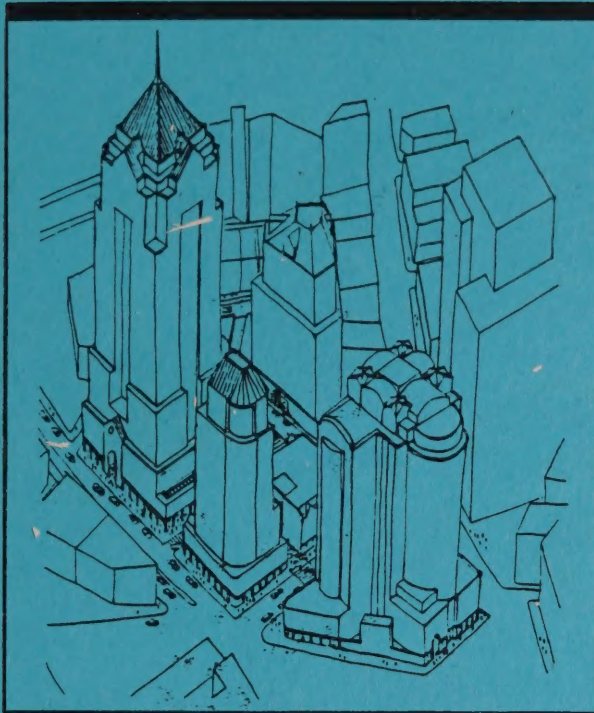
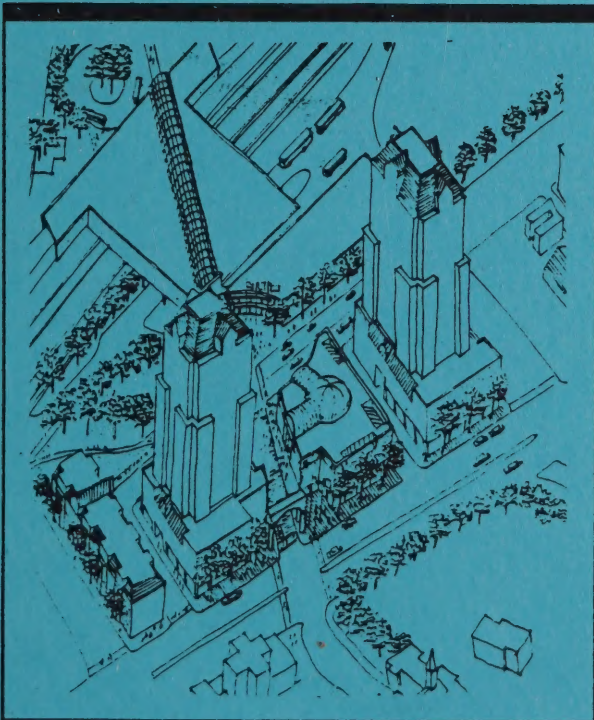


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# PARCEL TO PARCEL LINKAGE PROGRAM



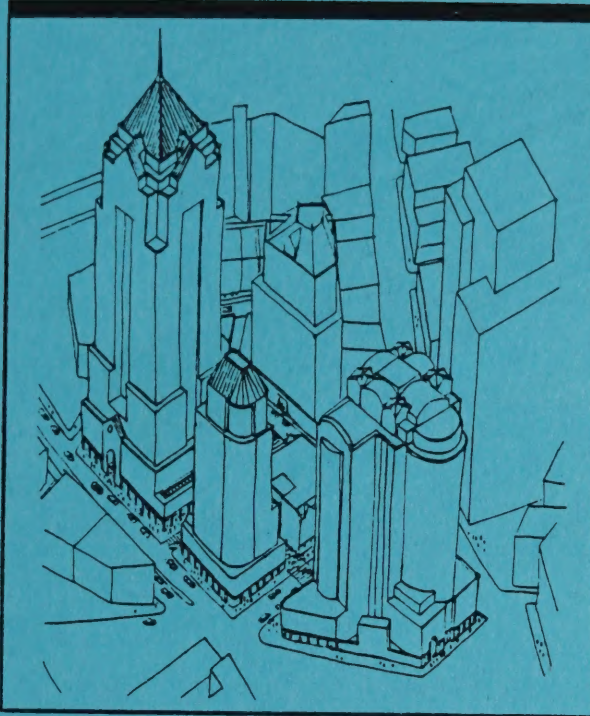
## Interim Report

### Project 1

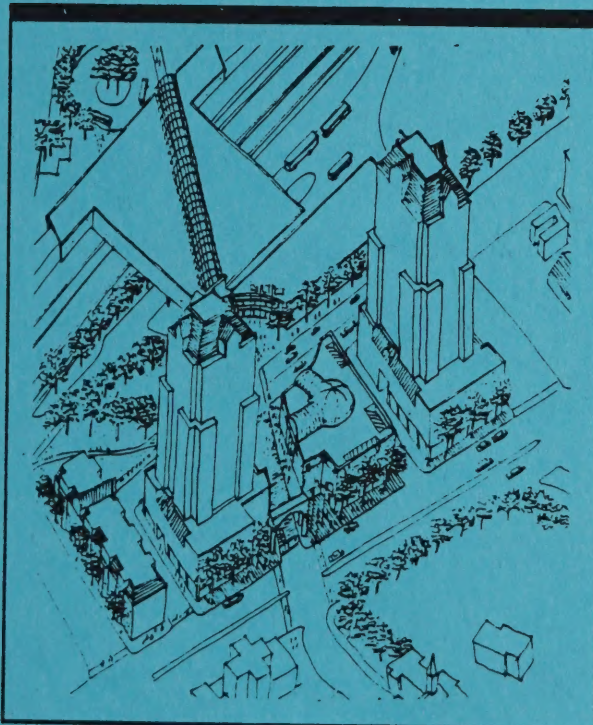
### Kingston | Bedford Parcel 18

City of Boston Raymond L. Flynn, Mayor  
Boston Redevelopment Authority  
Robert L. Farrell, Chairman  
Joseph J. Walsh, Vice Chairman  
James K. Flaherty, Treasurer  
Clarence J. Jones, Assistant Treasurer  
Michael F. Donlan, Member  
Kane Simonian, Secretary  
Stephen Coyle, Director





# PARCEL TO PARCEL LINKAGE PROGRAM



## Interim Report

### Project 1

### Kingston | Bedford Parcel 18

City of Boston Raymond L. Flynn, *Mayor*  
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Robert L. Farrell, *Chairman*  
Joseph J. Walsh, *Vice Chairman*  
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## EDITOR'S NOTES

1. This report in many instances refers to linkage contributions by developers to promote low and moderate income housing development in the city and impacted neighborhoods. In a recent Superior Court opinion, Bonan, et al v. Massachusetts General Hospital, the Court characterized linkage as a tax and found Article 26 a nullity. The city has appealed this decision, and expects to be vindicated. If necessary, corrective legislation will be filed with the state legislature. In any event, the public and interested developers should assume that housing and jobs contributions are conditions precedent to developer designation for any project in the parcel to parcel linkage program.
2. This report contains several references to a second parcel to parcel linkage project, namely the linkage of the Essex Street parking lot to housing and commercial development sites in Chinatown. The specifics of that plan will be developed by the city in conjunction with the Neighborhood Council of Chinatown, the Chinese Consolidated Benevolent Association, and the Chinese Economic Development Council, amongst others. Except for housing assistance, it will not require state contributions. This report introduces Columbia Plaza as an urban design concept for the downtown that integrates the Kingston-Bedford site, the Essex Street lot, and other sites. A mixed use development (hotel, office, residential) component of Columbia Plaza, developed on the Essex Street lot, will give rise to an equity participation opportunity for the Chinese community. A separate RFQ/RFP process for this development will be agreed upon by the parties.
3. This report is presented to the community to start on open public policy discussion. The concepts put forth should not be considered final in detail or form. A number of options for development are reviewed and discussed. They should not be considered final recommendations. As this process begins there are no preferred options. A final interim report will be prepared following the proposed 45 day comment period. That report will serve as a framework for shaping the complex program development concept which is the core of the parcel to parcel linkage program.

**DRAFT**  
For  
Discussion Purposes Only



# INTRODUCTION



## INTRODUCTION

American cities have entered a new, paradoxical era in our nation's history. Investment in commercial real estate is climbing, but so is poverty. To worsen matters, the critical human service needs of urban Americans have lost their place on the national political agenda. The Community Development Block Grant Program, Urban Development Action Grants, general revenue sharing, maternal and child health care, job training, and numerous other urban-oriented programs are shrinking -- or have disappeared entirely -- in the wake of an enormous peacetime Pentagon buildup. This fiscal year Boston will lose between \$15 million and \$30 million due to budget cuts and the impact of "new federalism". Another \$50 to \$70 million may be lost in fiscal year 1987. The federal government has left the needs of the nation's urban population, and especially urban citizens in poverty, to be met by the workings of the private economy and the actions of those few state and local governments with the imagination and the will to fill the shoes of the federal government. As ill-conceived as these federal policies are, they are the reality we must deal with and the point of departure for shaping a new, more humane urban policy. The changing role of America's cities in the nation's economy may hold the key to how local leadership can address the needs of its poorest, least educated, and least powerful residents.

Throughout the country today, cities which earlier had experienced the flight of manufacturing industries are becoming centers of capital investment and service economies. As Boston and other cities have become centers of new regional economies, they have been able to attract enormous amounts of investment capital. Over \$7 billion was invested in Boston over the last nine



years. In addition, the city has approved \$3 billion in private downtown development projects since mid 1984. Overall, the ratio of private to public investment is greater than 3 to 1, a remarkable turnaround from the Urban Renewal era. Employment growth follows quickly on the heels of capital investment. In Boston, for example, employment in the financial, insurance, medical, educational, business, and professional sectors has grown 26 percent since 1976. Boston has gained, on average, 7,000 new jobs per year in these sectors over the past ten years, and these employers now account for 70 percent of all new jobs in Boston. Downtown real estate has become a powerful attraction for investors seeking to control the scarce sites suitable for development of modern office space to meet the needs of the growing service economy.

Until now, the economic gain from Boston's new investment boom has not directly reached its low and moderate income residents. The vast majority of new jobs created since 1976 have gone to better off, better educated suburban residents. A recent survey conducted by the Boston Redevelopment Authority shows that 78 percent of the employees in Boston's large downtown office buildings are suburban commuters. While downtown development has substantially increased the municipal tax base, the growing disparity between downtown and neighborhood investment, the influx of new middle income households seeking to live near their jobs and thereby creating displacement pressure on long term residents, and the lack of business opportunities for minorities downtown and in the neighborhoods, have raised questions about how to manage downtown development to improve the quality of life of neighborhood residents. Simply put, people are asking: how can the city grow so that poorer people gain? The paradox we face is this: a static



economy intensifies and worsens poverty, while a poorly managed growth economy widens the gap between rich and poor. Clearly, the "no growth" or "no controls" approaches do not answer Boston's questions. Boston needs a new set of policies designed to promote balanced growth, neighborhood reinvestment, and job opportunities for Boston residents. It must develop policies to use the market economy to improve the economies of the older neighborhoods, and do so at a time of federal government cutbacks.

The city of Boston has pioneered new ways to connect the booming vitality of its downtown economy with the needs of Boston's neighborhoods for employment and investment opportunities. With the Downtown Projects report issued in October, 1984, the Flynn Administration made the linkage concept an economic reality. More than \$35 million of housing contributions have been under contract since then. As part of the Downtown Guidelines initiative issued in July 1985, new linkage policies were proposed by the Mayor and adopted by the Zoning Commission on February 26, 1986. These new policies will allow linkage funds to be targeted to impacted neighborhoods, will provide for the first job training trust fund in the nation, and will increase the dollar value of the housing linkage contributions nearly twofold. Mayor Flynn has established by Executive Order employment requirements for residents, minorities, and women in any development project receiving discretionary approval from the city. To further ensure careful monitoring and compliance with employment goals, the Mayor has proposed creating the Boston Fair Employment Commission. These policies, innovative as they are, are not sufficient to bring the benefits of downtown investment to neighborhood residents, especially the poorest residents in minority neighborhoods.



Economic reality and a concern for social justice require that a bolder, more dramatic initiative be taken to bring the benefits of growth to people in need.

The Downtown Guidelines initiative introduced to Boston the concept of parcel to parcel linkage. In essence, parcel to parcel linkage is a land disposition policy that makes the critical connection between economic growth and community needs and values. Its goal is to harness downtown Boston's economic vitality to growth opportunities in Boston's neighborhoods. Parcel to parcel linkage works this way: Boston has several valuable parcels of land downtown, in the heart of areas undergoing substantial development. Some of this land is city-owned parking lots or garage sites. Some of it, long abandoned, is owned by state and federal agencies and is now surplus to their needs. In addition, the city and state own a number of parcels in Boston's most depressed neighborhoods. These properties have been tax foreclosed, or are remnant parcels from highway and transit projects, or sites assembled for schools that were never built, or developments that were never feasible, or planners' dreams that became neighborhood nightmares. Under the parcel to parcel linkage program, participating governments must link the disposition of publicly owned downtown parcels with publicly owned parcels in the neighborhoods. Furthermore, the program requires the economic participation of local community development organizations, minority businesses and developers, and the neighborhood's residents themselves. The strategy is to create opportunities, for those who have been excluded from the development economy, to become equity partners, owners, of major commercial developments. The bottom line is this: parcel to parcel linkage, the connecting of prime downtown sites to less lucrative neighborhood opportunities, will produce new enterprise opportunities and new entrepreneurs in Boston.



This report is the culmination of more than eight months of discussion, investigation, and evaluation. It follows the historic commitment made on July 31, 1985 between Mayor Raymond Flynn, Governor Michael Dukakis, and the Parcel 18 Task Force to link the development right on the Kingston-Bedford garage site to Parcel 18 in the Southwest Corridor. This historic tri-party agreement established the Boston Redevelopment Authority, the city's planning agency, as the development agent for the city, the state, and the community. Since the signing of that agreement the BRA has undertaken a thorough analysis of the development opportunities presented by both sites. It has examined a number of options designed to build a neighborhood economy through major investment in a commercial development and by doing so achieve the following goals and objectives of the parcel to parcel linkage program:

- o create opportunities for minority developers and individuals to be equity participants in both downtown and neighborhood development;
- o establishing a neighborhood development bank through project residuals and other funds to replace funds that have been or will be cut by the federal government;
- o expand housing opportunities for low, moderate, and middle income people in the impacted neighborhood by using linkage funds and acquisition proceeds;
- o create more jobs, both permanent and construction, and more job training programs funded by linkage to ensure that new jobs go to Boston residents;
- o increase enterprise and success for minority businesses through participation in development activities and provision of affordable retail space for community-based businesses both downtown and in the neighborhood; and
- o improve the quality of life through excellent urban design, and the addition of plazas, open spaces, and cultural facilities.
- o Fulfill the community's vision for the Southwest Corridor by planning development that would create jobs, more housing, and equity opportunities for area residents.



This interim document is a report on the status of the first parcel to parcel linkage project. A full explanation of the program's objectives, a summary of the development concept for both parcels including a review of the particular characteristics of each site and their development and marketing opportunities, and an overall urban design plan are submitted to provide policymakers with a comprehensive understanding of this first project's opportunities. In addition the report addresses by reference a second project, the linking of the Essex Street parking lot to housing development sites in the Chinese community. For the first parcel to parcel linkage project, the report lays out a comprehensive community review process and recommends a two part developer competition. The first part of the competition, Request for Qualifications (RFQ), would select the minority partners. The second part, Request for Proposals (RFP), would identify the majority partners. The report includes a summary of public contributions to the projects, and a section on planning for the impacts of the projects. It concludes with a detailed schedule of the public actions necessary to make the parcel to parcel linkage program a reality for Boston.

The Flynn Administration's commitment to the program is unequivocal, with two prime downtown sites already promised. The Dukakis Administration is equally committed. The commitment to people of color is made abundantly clear by the program's requirement that not less than 25 percent of the equity of the downtown projects be held by minorities. The neighborhood projects, linked to the downtown projects, could give rise to even higher levels of equity participation by minority developers and community development corporations.



A number of complex questions and issues remain and must be faced and resolved before the parcel to parcel linkage program can proceed. This report is intended to begin the process and make the task of evaluating those choices easier and clearer. After eight months of preliminary dialogue with public sector, private sector and neighborhood parties, we are confident that the overall desire to make this program work for Boston is strong enough to keep the parties together even though numerous differences may arise over specific programmatic options and choices.



**BUILDING AN AREA ECONOMY**

- o Economic Viability
- o Employment Opportunity
- o Commercial Capacity
- o Cultural Vitality
- o Affordable Housing
- o Improved Quality of Life

**MINORITY EQUITY**

- o Required minimum 25% equity participation by minorities

**EMPLOYMENT**

- o \$1.4M Jobs Linkage From Both Projects
- o 3,946 Construction Jobs
- o 7,500 permanent jobs
  - 3,500 downtown
  - 4,000 neighborhood
- o Daycare Space

**PARCEL-TO-PARCEL  
LINKAGE PROGRAM  
PROJECT #1  
KINGSTON-BEDFORD/  
PARCEL 18**

**LINKAGE BENEFITS**

- o Up to \$1.4M Jobs Linkage From Both Projects
- o Up to \$4M Housing Linkage From Kingston-Bedford, up to 50% upfront
- o Up to \$3M Housing Linkage From Parcel 18, up to 50% upfront
- o Up to 50% Housing Linkage Targeted for Areas of Impact

**CULTURAL AND  
COMMERCIAL BENEFITS**

- o Affordable Community Retail Space Downtown and Neighborhood
- o Performing Arts Center

**MINORITY BUSINESS OPPORTUNITIES**

- o Required Minimum 30% Contracts to MBEs for
  - Engineering
  - Architecture
  - Law
  - Marketing and Leasing
  - Construction and Management
  - Personnel and Hiring
  - Construction Contracting
  - Construction Supplies and Services
  - Furnishings

**NEIGHBORHOOD DEVELOPMENT BANK**

- o Upfront Contribution
- o 5% Project Cash Flows
- o 10% Participation in Refinancings, Syndications, Residuals
- o Commercial UDAG Paybacks



## **BUILDING A NEIGHBORHOOD ECONOMY**



## BUILDING A NEIGHBORHOOD ECONOMY

Development for development's sake does not build stronger neighborhood economies, nor does it improve the standard of living for most Bostonians. Public development policies must change to meet the changed realities of the city's growth economy. Roxbury holds great promise as the home of a new neighborhood economy which links together the elements of Boston's growth economy to create jobs, residential development, and shopping, cultural, and recreational facilities. Considered as a whole such developments would provide a critical economic mass of new employment opportunities for new and existing residents, and would form a strong economic foundation to stimulate additional investment in the area. By raising the living standards of existing residents through new job opportunities and better housing, by boosting the local economy through new residents to the area, and by creating a more active and vital local market through new workers and visitors, Roxbury would once again become a robust local economy, thriving neighborhood, and a cultural center of Boston, stimulated by substantial private investment and targeted public investment. Major office, retail, and residential development on Parcel 18 would provide an anchor for this new, service oriented neighborhood economy.

Linking the proposed office complex development at the Kingston-Bedford garage site to Parcel 18 in Roxbury ties the concept of linkage together with a new approach to public-private partnerships (joining public land disposition and private development investment) to build and strengthen the neighborhood economy of Roxbury. The attributes of this particular parcel to parcel



linkage project are very special. The downtown economy could obtain the lower-priced competitive office space needed to capture the projected growth of the city's large and small firms. The city's small and medium size firms are growing more rapidly than large firms. Furthermore, small firms employ Bostonians at a greater rate than do larger firms. Yet many smaller firms are being priced out of the downtown. The failure to produce space competitive with the lower priced suburban markets could result in the loss of jobs for Boston. For every two hundred square feet of leased space that becomes vacant, one job is lost. At the same time, Roxbury could build a new economy with a 50 percent expansion of its job base. The wage income flow could create a demand for a new retail and services market and support a new housing market built by community based groups.

Housing creation is a critical component of the success of a new Roxbury economy. An increase in and upgrading of the supply of Roxbury housing would be necessary to provide housing for existing residents and new employees wishing to locate near their place of work. In 1985 alone the BRA designated minority and community development groups to develop 600 units of housing in Roxbury. Thirty six percent of these units are priced below market; 56 percent are equity units and 44 percent are rental units. This housing could provide the backbone of the new neighborhood economy in Roxbury.

#### Roxbury: The Planning Context

Despite some positive change, Roxbury in 1985 stood apart from city-wide norms. Poverty and unemployment were far higher. Incomes were much lower.



More of the Roxbury labor force was centered in lower paid occupations. Access to downtown jobs was more limited, only 12 percent of Roxbury workers work in the downtown, and travel time to work was much greater. Housing conditions were poorer. Virtually every measure of the quality of life for Roxbury registered "low" relative to the entire city.

Parcel to parcel linkage signifies job and income growth and brings Roxbury and minority residents into the fold of Boston's expanding opportunity by helping to build a new neighborhood economy. If Roxbury workers could capture a lion's share of the jobs created by development on Parcel 18, workers' incomes could rise to citywide norms. Expanded purchasing power could create a new market for retail trade, services, and affordable housing. A new neighborhood economy could emerge.

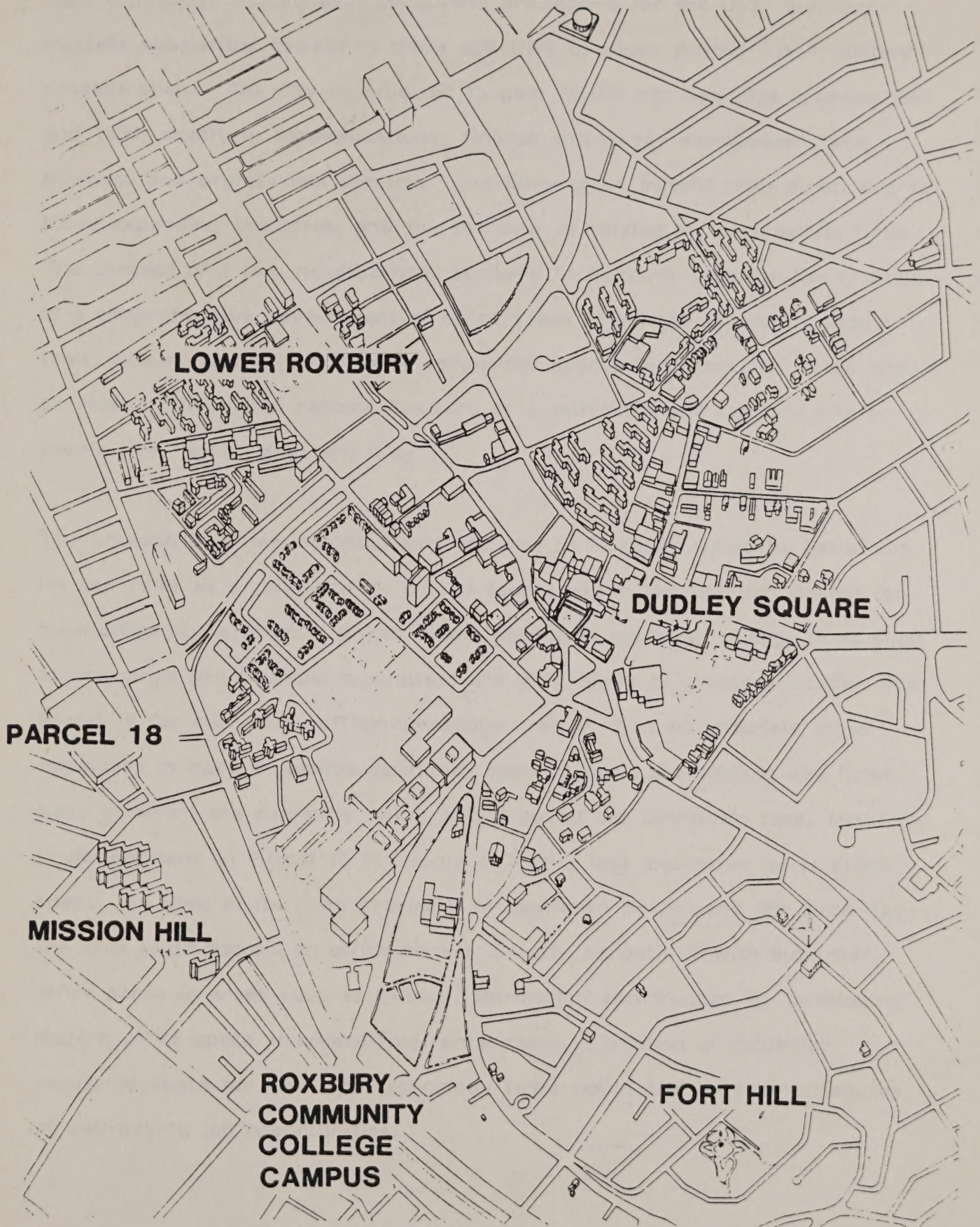
Parcel 18, with a potential of 700,000 square feet of office space and 4,000 new jobs, could make up a significant percent of the downtown's projected office development and job growth in the 1986-95 decade. In effect, with Parcel 18, Roxbury could be re-aggregated into the Boston economy, and tied into the city's expanding economic opportunity.

### The New Roxbury Economy

The key to understanding Roxbury's role as a new neighborhood economy is to determine how this community could be brought into the momentum of the Boston economy as a whole, and the downtown economy in particular. Looking ahead to 1990, the city's economy is expected to continue to grow based upon its shares of business and professional services, finance, insurance, money management, education and medicine, and the communications, knowledge, and



# ROXBURY NEIGHBORHOOD ECONOMY





high technology industries. Long term projections for the U.S. economy indicate substantial growth in these activities in which Boston has a relative concentration. The city is expected to gain 72,000 net new jobs between 1983 and 1990, mostly in communications, finance and money management, and business and professional services. Roxbury could benefit from direct ties to these expanding industries and the spillover of related or intermediate firms. The concept of a new neighborhood economy in Roxbury involves the creation of a comprehensive development of office space to attract expanding industries, new homes, and affordable commercial spaces for community retail and services. This would restore Roxbury as a self-sufficient economy where people live, work, shop and play.

The creation of a new neighborhood economy in Roxbury would be based on its new roles as a competitively priced source within Metropolitan Boston for back-office space directly linked to the downtown economy. Large firms such as insurance and financial businesses are very likely to choose a location like Parcel 18 for many back-office operations, rather than accommodate those employees in more expensive downtown space. Small and medium size firms, many of which are currently being priced out of the downtown core, may look to development on Parcel 18 to supply efficient, less expensive tower office space. In view of its close proximity to downtown Boston and the Back Bay, the area could become an office market directly competitive with suburban office parks in areas such as Quincy, Burlington and Waltham by developing modern office space at competitive rental rates. Creation of incubator industrial space for new high-technology firms would also be a direct source of well-paying job opportunities.



### New and Recycled Housing Development

The success of a neighborhood economy in Roxbury depends heavily on residential development. Housing is needed for both existing residents and potential new residents. Housing will add stability and vitality to the area and create new demand for retail services. The Kingston-Bedford and Parcel 18 development projects are expected to generate up to \$7 million in housing linkage contributions. Providing up to 50 percent of housing linkage generated by these projects as up front housing creation in the neighborhoods of impact would be required up front as a ground rule for the competition. An additional requirement would be that up to 50 percent of housing linkage payments from these projects would be targeted to their areas of impact, Roxbury and Chinatown, subject to the approval of the Neighborhood Housing Trust.

It is recommended that at least \$12.5 million of state housing assistance be set aside for each neighborhood to provide below market rate permanent financing for housing projects. This \$25 million could provide permanent financing for a substantial number of units when combined with other resources like city-owned land. To that end, the city, through the BRA and Public Facilities Department, would make up to six sites available for housing developments in the Roxbury area. These sites, to be designated for development by CDCs, could accommodate 200-337 units.

These housing initiatives would follow on the heels of 600 units designated in 1985 for development by minority and community developers in Roxbury. More recently, four CDCs were tentatively designated to redevelop 17 abandoned HUD infill buildings located in the Roxbury area into 84 units with



# HOUSING SITES



● FUTURE HOUSING SITES

\* DESIGNATED HOUSING SITES

|                |    |       |
|----------------|----|-------|
| F3a&b.....     | 30 | units |
| Holworthy..... | 72 | units |
| L-22.....      | 25 | units |
| R-14.....      | 60 | units |
| Ra-1&2.....    | 60 | units |
| S-12.....      | 50 | units |
| A-5.....       | 22 | units |

|                           |     |       |
|---------------------------|-----|-------|
| Winslow Park/OIC.....     | 24  | units |
| Cass house.....           | 48  | units |
| Roxbury Hills Common..... | 68  | units |
| Fountain Hill.....        | 120 | units |
| Highland Park.....        | 24  | units |
| Garrison Trotter.....     | 72  | units |
| Douglass Plaza.....       | 120 | units |
| 400 Mass Ave.....         | 60  | units |

Total new housing units.....855



3 to 5 bedrooms each. All of the infill units will be made available to families with incomes at or below 80 percent of the SMSA median income. The plan to redevelop these units includes direct designation of the CDCs, as well as technical assistance in design and construction management. This plan will serve as a prototype for additional opportunities for CDCs to develop housing, including the six sites mentioned above.

#### Commercial and Cultural Development

Another element of the new economy is the development of a commercial and cultural center to foster shopping, leisure, and recreational uses. These activities will draw directly from the increased working and resident population in the Roxbury area. New workers and residents could double the size of the surrounding retail market. Development on Parcel 18 would include a substantial retail component priced below the market so that smaller, community-based businesses would be able to afford to locate there.

A 100,000 GSF Community Performing Arts Center is also proposed for Parcel 18 to provide practice and performance space for both local and visiting artists. The Arts Center would provide a pivotal attraction for the Parcel 18 area. In addition, a number of parks and recreational facilities are planned for the Roxbury area, including the Roxbury State Heritage Park, and parkland along the Southwest Corridor.

#### Parcel 18: The Beginning of a New Growth Corridor

Development on Parcel 18 would provide the anchor in Roxbury for a new center of social and economic activity of city-wide importance. Parcel 18



would be one element, albeit a critical one, of a larger economic base that would include major new development along the Southwest Corridor and Melnea Cass Boulevard and south of the Dudley Station area. It would be a place where people work, visit, and live, contributing an exciting new urban form, new job opportunities, and tax revenues. More importantly, it would anchor additional investment in the Roxbury economy.

Major new commercial and residential development on Parcel 18 would combine public and private investment to take advantage of an excellent location; large tracts of vacant land; an underutilized labor force; lower wages; and unprecedented demand for lower priced office space to create the base for a new neighborhood economy in Roxbury.

Through the totality of benefits offered by the parcel to parcel linkage program -- building a neighborhood economy by providing competitively priced office space, increasing job and housing opportunities, improving skills, and revitalizing the urban form -- development on Parcel 18 would put Roxbury on the road to economic equality.



## PROGRAM OBJECTIVES



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## PARCEL TO PARCEL LINKAGE PROGRAM OBJECTIVES

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### **BUILDING A NEIGHBORHOOD ECONOMY:**

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- 1 The Creation of Minority Equity
  - 2 Increasing the Supply of Affordable Housing
  - 3 Funding Community Development
  - 4 Employment and Employment Training
  - 5 Building the Capacity of Minority Business Enterprises
  - 6 Urban Design
  - 7 Fulfilling the Community's Vision
-



The development of real estate has become one of the most important generators of wealth in this country today. Few economic activities facilitate capital accumulation as quickly. The investment in Boston of \$3 billion in private downtown development projects since 1984 indicates the strength of the markets' interest in Boston. The economic resurgence of Boston has attracted the equity of many major long-standing Boston area firms and has increasingly drawn the investment of major firms from all over the country and around the world.

As strong as this phenomenon has been it has not produced a revitalization of Boston's older neighborhoods, nor has it expanded employment opportunities for residents. It has not brought opportunities for entrepreneurial success to Boston's minority communities.

A number of potentially large-scale minority developers have emerged in Boston. Some have come forward by responding to the community's need for housing and the opportunity presented by state and federal housing programs. In addition, there are a number of Community Development Corporations who have managed to assemble real estate expertise, and to develop and own property on behalf of their communities, through the development of small commercial and residential projects. Finally, there is a small but growing number of minority citizens in Boston who are investors in substantial real estate projects.



A major objective of the parcel to parcel linkage program is utilizing publicly-controlled property to extend the opportunity for participation in major commercial real estate development to Boston's minority communities.

The program could assure that minority investors take substantial equity positions in the linked projects, and share in the return from these investments. The program could also afford minority developers an opportunity to play significant decision-making roles in major projects, thereby allowing them to develop the capacity to conduct major commercial developments on a local or national basis in the future. The aim of this approach is to utilize the present economics of the commercial real estate market to bring wealth to Boston's minority communities and to expand the capacity of minority entrepreneurs.

The program would therefore require that community-based minority developers have substantial ownership of the new developments. In the first linked projects, the Kingston-Bedford and Parcel 18 developments, it is proposed that a minimum of 25 percent of the equity in the projects be held by minority developers. An RFQ process is proposed in order to select a development partner from the minority community. The second stage of the proposed selection process would favor proposals which maximize minority ownership and control. Final developer proposals would be judged on the extent to which they provide investment opportunities and decision-making roles to minority partners, and on the extent to which these minority partners are widely drawn from Boston's minority communities.



A special role for existing community development corporations is envisioned. Community Development Corporations (CDCs) would be asked to participate in the development in two principle ways. First, as the primary recipients of funds from the Neighborhood Development Bank (NDB); and second, as potential majority joint venture partners competing for the right to complete the development team. CDCs could negotiate an overall equity role in the project, or more specialized roles in particular elements of the project.



The need for additions to the city's supply of affordable housing is undeniable. The Flynn Administration's commitment to tackling the problem of affordable housing is no less certain. The citywide goal of 3,400 building permits to be issued this year is a major priority of this Administration. This goal will be achieved through the implementation of a number of new initiatives such as a revised housing linkage formula, streamlined housing development review procedures, and innovative land disposition programs. The parcel to parcel linkage program is recognized as a policy mechanism with a significant potential to contribute to the supply of affordable housing.

A look at the city's housing and demographic statistics illustrates the need for more affordable housing. Boston's median household income is 22 percent lower, and its poverty rate 44 percent higher, than the cities it is most frequently compared with -- Dallas, Denver, and San Francisco. The share of persons in "poverty status" in Boston is twice that of the metropolitan area; more than 21 percent of the residents of Boston in 1985 were in "poverty status". In excess of 70 percent of all Boston households rent rather than own their own homes. In 1985, 20 percent of these renters paid in excess of 50 percent of their income for housing; 40 percent paid more than one-third of their income for shelter.

Furthermore, Boston's current housing stock is older than most major cities. Not including public housing, approximately 900 buildings containing 3,000 dwelling units are vacant and boarded.



Parcel 18, the Essex Street lot, Kingston-Bedford, and two downtown parcels will together provide substantial funds for housing creation in Chinatown, Roxbury, and elsewhere in the city. The Kingston-Bedford and Parcel 18 development projects are expected to generate up to \$7 million in housing linkage contributions. Up to 50% of housing linkage generated by these projects would be required up front as a ground rule for the competition. An additional requirement would be that up to 50% of housing linkage payments from these projects would be targeted to their areas of impact, Roxbury and Chinatown.

In the second parcel to parcel linkage project, proceeds from the sale of the Essex Street lot would provide additional funds for housing creation. These sale proceeds would be combined with linkage generated by the development project on the Essex Street Lot, and linkage contributions from two downtown projects to develop affordable housing in the Chinese community.

It is recommended that at least \$12.5 million of state housing assistance be set aside for each neighborhood to provide below market rate permanent financing for housing projects. This \$25 million could provide permanent financing for up to 300 units of affordable housing when combined with other resources like city-owned land.

Finally the city, through the BRA and the Public Facilities Department, would make up to six sites available for housing developments in the Roxbury area. A similar number would be available in the second project for affordable housing developments in the Chinese community.



## RESOURCES FOR NEIGHBORHOOD HOUSING

### City of Boston

#### Linkage Contributions

|                  |              |
|------------------|--------------|
| Kingston-Bedford | \$ 4,000,000 |
| Parcel 18        | 3,000,000    |
| Essex Street Lot | 325,000      |
| Haywood Place    | 200,000      |
| Jaymont Project  | 400,000      |

#### Property Sale

|                          |           |
|--------------------------|-----------|
| Essex Street Lot         | 3,500,000 |
| Public Land in Roxbury   | 3,700,000 |
| Public Land in Chinatown | 4,000,000 |

TOTAL: \$19,125,000

### Commonwealth of Massachusetts

|                                                                          |              |
|--------------------------------------------------------------------------|--------------|
| State Housing Assistance<br>for Below-Market Rate<br>Permanent Financing | \$25,000,000 |
|--------------------------------------------------------------------------|--------------|

TOTAL: \$44,125,000



Another major objective of the parcel to parcel linkage program is to create a reliable, ongoing source of funds to support community development. This fiscal year Boston will lose \$15 to \$30 million due to federal budget cuts and the impacts of the "new federalism". In fiscal year 1987, the city stands to lose an additional \$50 to \$70 million in funding for community development, housing, job training, health care, and revenue sharing. The city's response to the new federalism must be to find new revenue sources to fund these critical activities. As part of the parcel to parcel linkage program, a Neighborhood Development Bank (NDB) is proposed to provide flexible funding for a wide range of community development activities and services, and new economic activities not encouraged by the CDBG Program such as a venture capital fund.

The programs of the Neighborhood Development Bank would be focused on three aspects of neighborhood improvement: (1) commercial revitalization; (2) creation of affordable housing; and (3) venture capital for neighborhood businesses. The primary recipients of NDB funds would be community development corporations.

Although existing programs address these concerns their viability is threatened by federal cutbacks, and more effort is needed to spur investment in Boston's neighborhoods. The NDB would build on existing programs in three important ways. It would bring added investment dollars into low income neighborhoods. It would fill the gaps left by existing programs, meeting the needs which are not now addressed. It would use cooperative approaches to combine various types of public assistance and leverage added



private investment, thereby increasing both the amount and the effectiveness of investments in Boston's poorest neighborhoods. In these ways, the NDB would give residents and business the access to capital which they have lacked for decades.

The NDB would be capitalized by at least three sources of revenue. The first would be the city's contribution of 10 percent from the net initial land payment made by the developer(s) of the Kingston-Bedford garage site. A second source of capital for the NDB would be the allocation of 5 percent of the net operating income (NOI) generated in the Kingston-Bedford project's first stabilized operating year, and continuing for twenty years thereafter. This stream of capital would be augmented by 10 percent of all net refinancing proceeds, net syndication proceeds, and net sales residuals for the same twenty year period. The Parcel 18 project would contribute 5 percent of the NOI generated in the first stabilized operating year; and 10 percent of net financings, syndications, and residuals, for a period of twenty years. It is recommended that proceeds from NOI, refinancing residuals, and syndications from Parcel 18 would go to a special Roxbury community development fund. Finally, the NDB would receive repayment from the \$15 million "soft second" mortgage on the Parcel 18 project.

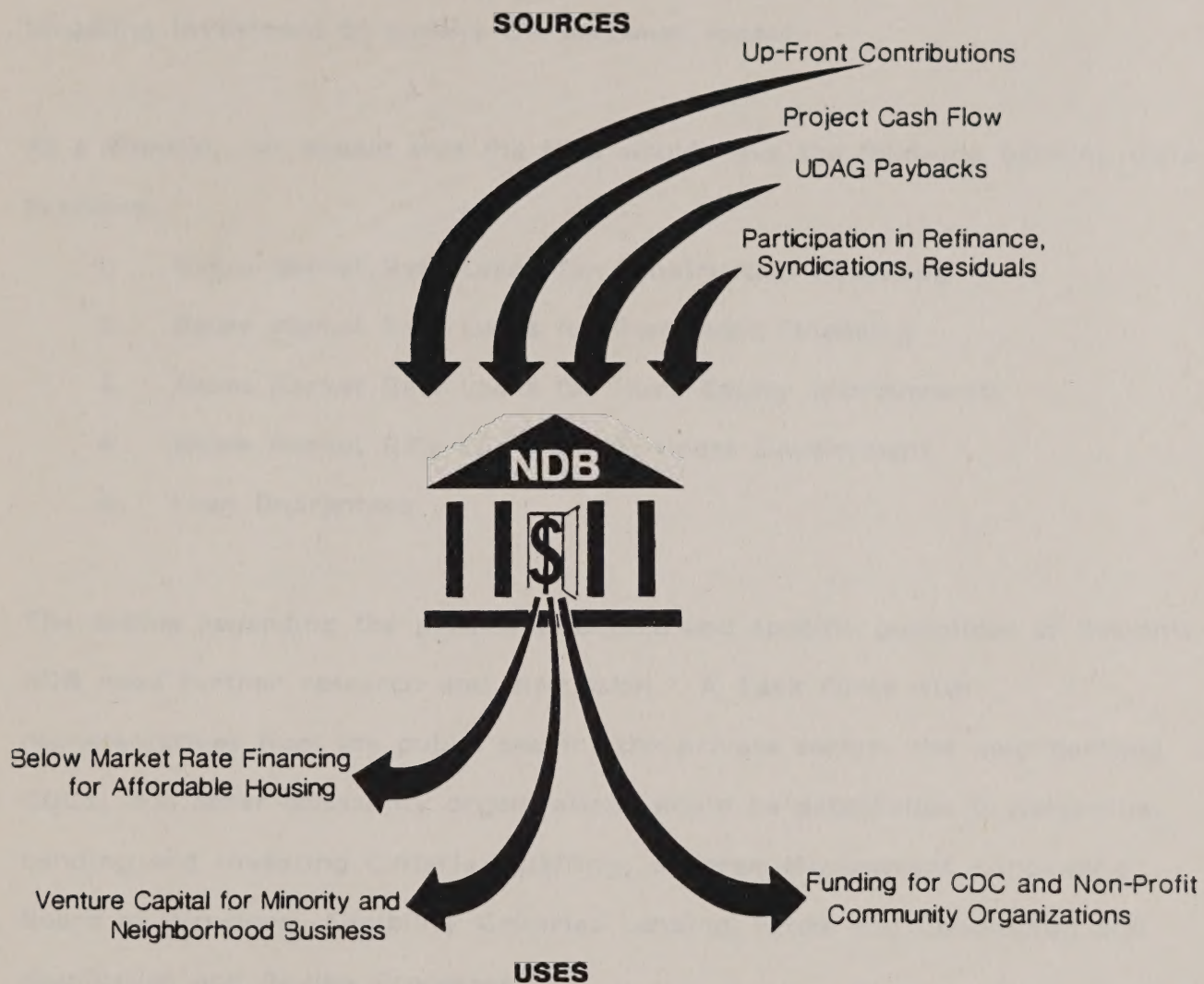
The NDB would pair its resources with those of existing revolving loan programs operated through agencies including: MURAG; LISC; EDIC/BLDC; CEDAC; PUBLIC FACILITIES' HOME LOAN PROGRAM; and HISTORIC BOSTON.



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# NEIGHBORHOOD DEVELOPMENT BANK

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These programs operate by reacting to requests for assistance from individual property owners. In contrast, the NDB would use a strategic planning approach. It would function pro-actively, identifying specific needs and targeting investment to achieve the maximum impact.

At a minimum, we expect that the NDB would have the following banking tools available:

1. Below Market Rate Loans for Construction Financing
2. Below Market Rate Loans for Permanent Financing
3. Below Market Rate Loans for Home Equity Improvements
4. Below Market Rate Loans for Business Development
5. Loan Guarantees

The details regarding the precise structure and specific guidelines of Boston's NDB need further research and discussion. A Task Force with representatives from the public sector, the private sector, the neighborhood CDCs, and other community organizations would be established to determine: Lending and Investing Criteria; Staffing; Program Management - including Board of Directors; Eligibility Criteria; Lending Terms and Conditions; and Application and Review Processes.

The federal government is expected to continue to drastically reduce its financial support of community development programs, seriously threatening Boston's ability to fund housing, job training, and other community development and human service programs. For example, Congress cut the Community Development Block Grant (CDBG) program by 10 percent, for a loss to the city of \$2.2 million, and the Gramm-Rudman legislation cuts another \$850,000



for a total of over \$3 million in lost funds. The Reagan Administration is proposing to hold back another \$500 million in CDBG funds nationally, costing Boston another \$4 million if Congress does not intervene. Altogether, Boston may lose up to \$7 million, or about one-third of its CDBG program funds. The Community Development Block Grant program, presently funded at \$22.1 million for Boston, is used for housing, neighborhood development, and human services. Community Development Corporations (CDCs), a major source for housing production and service delivery, receive much of their operating and program funds through the CDBG and CSBG (Community Services Block Grant) Programs. Boston's CDCs, from January 1, 1984 to June 30, 1985, have been responsible for 1,126 housing starts, the creation of 2,533 jobs and the leveraging of \$101.4 million in private monies for community development activities. They also are the providers of employment training, day care, adult literacy programs, and other necessary community services.

Taken together, these reductions in federal funding will mean a dramatic loss of funds for affordable housing, job training activities, human services, and other community development activities. The community-based organizations which serve the neighborhoods, fostering growth and development, are seeing their supply of funds eroded. As a result, the future health and vitality of Boston's neighborhoods is at risk unless positive and dramatic action is taken locally.



A key objective of the parcel to parcel linkage program is to create new jobs for Boston residents. Specifically, the goals are to create challenging jobs with adequate wages and good working conditions, and to ensure that minority residents from the adjacent neighborhoods have equal access to those jobs.

Despite Boston's unprecedented development and job growth during the past decade, Boston resident workers have had difficulty taking advantage of the boom. Between 1970 and 1985, Boston resident worker participation in Boston jobs steadily declined, both in numbers and percent. Without new policy initiatives, job training efforts in the city could also suffer. Boston will lose \$258,000 in job training funds due to Gramm-Rudman cuts as of March 1, and may lose \$1.5 million in October as a result of a 25 percent cut.

On the positive side, Parcel 18 and its job potential represent a major departure for the Roxbury economy. Job access would be improved, and the Parcel 18 jobs would provide good incomes. An expanded flow of purchasing power would support a new market for retail trade and services and affordable housing. Parcel 18's potential for 1 million square feet of office space and 4,000 new jobs would signify an incremental addition of almost half to Roxbury's base of 9,000 jobs. Roxbury's 27,000 workers would have improved job access.

These jobs, like other Boston office jobs, would be good in terms of wage levels and career ladders. Annual wages in Boston in 1984 averaged \$21,284,



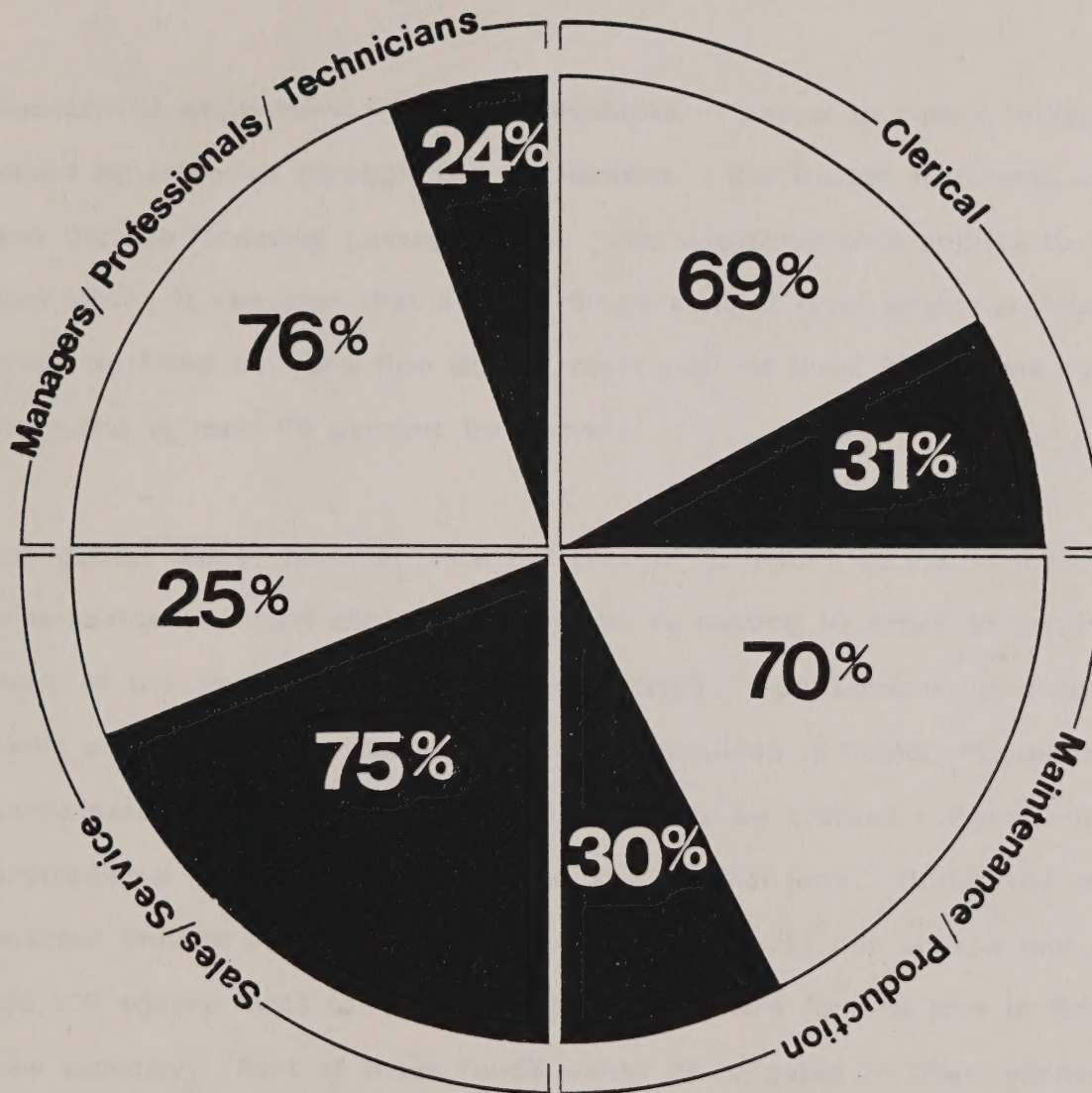
exceeding both the level in the metro area (\$19,945) as well as that in the state (\$18,418). This reflected the relative concentration of high-grade professional and business services and money management and communications employment in Boston's economic base.

A projected profile of the jobs and related income flow generated by development on Parcel 18, based on an analysis of the occupational composition of Boston's office jobs and a survey of the prevailing wage rates for these jobs, provides heartening news. This analysis shows that 40 percent of the 4,000 jobs would be professional, managerial, and technical, and 60 percent would be made up of secretarial, clerical, and support service and maintenance occupations. The wage levels of these occupations would provide a significant income flow.

Parcel 18 jobs would provide a new dimension of income in Roxbury. In 1985, the median family income in Roxbury was \$15,300, in contrast with \$21,200 for the city as a whole. In comparison, 1,200 professional jobs (40 percent of all jobs) with a weekly wage of \$425-\$700 would yield annual wage incomes of \$22,000 - \$36,000. Also, 200 managerial jobs (5 percent) with a weekly wage of \$400 - \$550 would signify an annual income flow of \$20,800 - \$28,600, and the 200 technical jobs (5 percent) with a weekly wage of \$350 - \$600 would bring an income of \$18,200 - \$31,200. For the 2,200 secretarial and clerical jobs, the entry level wage would be lower, at \$250 per week, in relation to the prevailing norm of \$350, resulting in an income range of \$13,000 - \$18,200. For the 200 jobs in support services and maintenance, with a weekly wage of \$225 - \$500, the annual income flow would vary from \$12,000 to \$26,000.



# OCCUPATIONAL SHARES OF JOBS IN BOSTON/1985



 Residents  
 Commuters

From: March 1985 BRA Research Department Survey  
of Boston Office Buildings



Taken altogether, Parcel 18 jobs add up to a new annual wage income stream of \$80 million (at current wage rates). This magnitude of income would provide important support to retail trade and service activity. And the family incomes to which the jobs relate would make home ownership and new rental housing feasible.

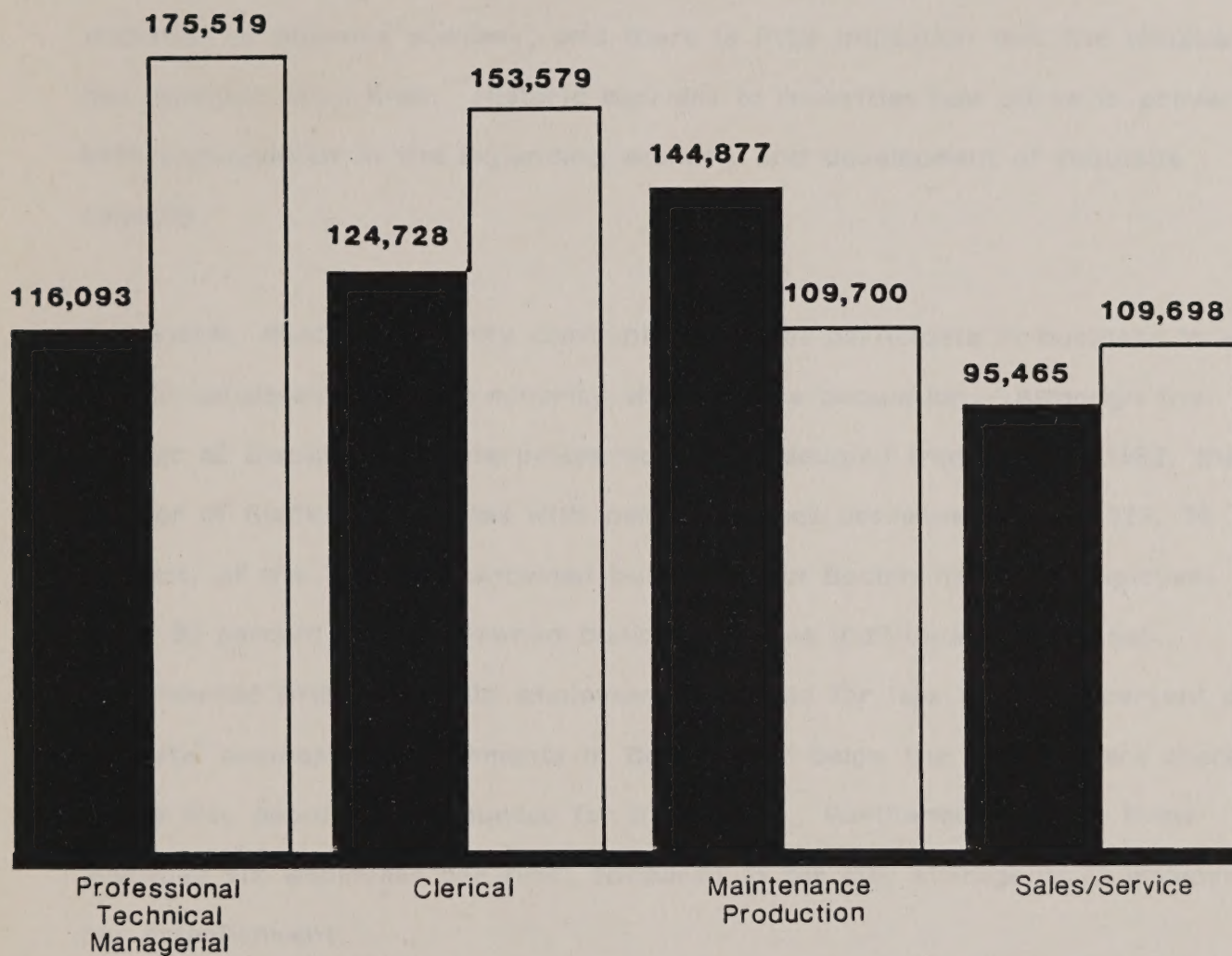
Substantial employment of Boston residents in parcel to parcel linkage jobs would be achieved through two mechanisms: the Boston Residents Job Ordinance and the Job Training Linkage Fund. The Job Ordinance applies to construction jobs - it requires that at least 50 percent of total employee hours in each trade be filled by bona fide Boston residents, at least 25 percent by minorities, and at least 10 percent by women.

Job quotas alone, however, are not enough to insure access to jobs. Many area residents would require training or retraining in order to qualify for many of the construction and permanent jobs. Furthermore, upgrading of skills and continuing education would be required if Boston residents are to participate fairly in the total range of jobs to be created - managerial and professional jobs as well as technical and clerical jobs. Under the recently enacted linkage amendments developers must pay \$1 per square foot (over 100,000 square feet) to help train Boston workers for the jobs in Boston's new economy. Part of these funds would be targeted to train workers for jobs created by the specific parcel to parcel project. Given the projected size of the Kingston-Bedford and Parcel 18 projects, job linkage funds could be as much as \$2 million. If matched on a dollar-by-dollar basis by the state or private sector, the potential for successful job training is enormous. At a minimum these funds would help replace job training money lost in federal cutbacks.



# JOBS BY OCCUPATION IN BOSTON

1960 VERSUS 1980



1960

1980



Minority businesses have not been lifted by the rising tide of economic activity in Boston. As of 1982, minority enterprises had only minimal participation in Boston's economy, and there is little indication that the situation has changed since then. Historic barriers to minorities now serve to prevent both participation in the expanding economy and development of requisite capacity.

In general, Boston's minority communities do not participate in business to a degree consistent with the minority share of the population. Although the number of Black-owned enterprises more than doubled from 1977 to 1982, the number of Black-owned firms with paid employees decreased. Only 123, 10 percent, of the 1,214 Black-owned businesses in Boston had paid employees in 1982; 90 percent of Black-owned businesses were individual enterprises.

Black-owned firms with paid employees accounted for less than one percent of the total business establishments in Boston, far below the 22.4 percent share of the city population accounted for by Blacks. Furthermore, Black firms averaged six employees per firm, compared to the city average of 24 employees per establishment.

A major objective of the parcel to parcel linkage program is to provide opportunities for local and minority businesses to participate in the wide range of economic activities that arise from major commercial projects, including engineering, architecture, construction management, market research, legal services, marketing and leasing, personnel and hiring, daycare administration, construction contracting, construction supplies and services, furnishing, and



building services and maintenance. This participation is intended not only to generate direct economic benefits to those minority business enterprises (MBEs) receiving contracts, but to provide experience and to build development capacity for MBE's to participate in both the city and area-wide development economies.

Accordingly, the Kingston-Bedford and Parcel 18 projects would establish a 30 percent target for all construction contracts for MBE's. In addition, 30 percent of the professional and technical services budgets of the projects, not including interest payments and fees, would be targeted for MBE's. Firms must have at least 51 percent ownership and control of their businesses to qualify as MBE's for this program. Final development proposals would be rated in part, based upon the inclusion of a program to successfully identify MBE's to contract for goods and services, and to provide opportunities to develop minority business capacity. Finally, development teams would be evaluated based on the extent to which they involve minority firms in significant decision-making roles.

During the competition process, the BRA would solicit a statement of interest and of qualifications from Minority Business Enterprises. These submissions would be used to form a clearinghouse list to be provided to all developers interested in taking part in the Kingston-Bedford and Parcel 18 projects, and would be distributed more widely in the development community at a later date.



The proposed RFQ process is designed to solicit interest not only from minority development partners, but also from MBE's wishing to participate in the combined enterprise. Thus, interested MBE's would be requested to submit the name and qualifications of their firms to form a clearinghouse list. This list would be provided to all prospective developers in the parcel to parcel linkage program to facilitate compliance with the MBE requirements, as well as to developers outside of the parcel to parcel linkage program to encourage other firms to patronize MBE's. All MBE requirements would be monitored by the Fair Employment Commission.



The urban design of development at Columbia Plaza and Parcel 18 should improve and expand the human scale and traditional streetscape of Boston. New developments should do more than just accommodate the expanding need for office, retail, and residential development; they should also help to create a new urban environment.

One of Boston's greatest strengths is its active pedestrian environment. New developments should contribute to this environment through sensitive vistas and forms. To ensure active streets, the projects should include retail space at ground level, landscaping, period lighting, street furniture, and features such as sidewalk cafes and kiosks. In addition to the office and retail uses, other activities like restaurants, cultural facilities, and housing or hotels could be added to extend the active life of the area beyond "9 to 5" office hours.

The buildings' forms and detailing could also contribute to enlivening the street. The Columbia Plaza buildings should reinforce the street walls by conforming to the 78' cornice line established for this district and should be accentuated to further highlight this important feature. Towers above this cornice line should be set back and stepped to allow the maximum sunlight exposure to the street. Roofs should be detailed in a traditional manner to avoid the flat roof found on most modern era towers. These elements should be supported by additional detailing at the street level to create human scale relationships at all levels of the structure. These buildings should use



materials that enhance the pedestrian experience -- brick and stone of colors and textures typical to the area. Window openings should further support this scaling by using the proportion and detail found in the districts.

Support services and vehicular circulation should be located to minimize negative impacts on pedestrians. Servicing and deliveries should be located off-street, at truck docks within the building. Vehicular traffic not associated with the development should be channeled around the site to allow for wider sidewalks and improved pedestrian ways. Public access should be provided through building lobbies, via auto restricted streets, and linked to public open spaces to expand the pedestrian network. To prevent these open spaces from becoming vacant plazas, they should be sunlit, accessible to active pedestrian streets, and supported by retail, cultural, entertainment, and residential uses. Additional public space should be made available by utilizing building roof tops for restaurants and open decks. With these design features, the public streets and open spaces would gain new life and vitality. Development projects on both Kingston-Bedford and Parcel 18 would be subject to review by the Boston Civic Design Commission.

Additions to Boston's unique urban design environment must carefully address their context and the contributions they make to the city's urban form. Development on Parcel 18 and the Kingston-Bedford site, if properly designed, can recreate the lost urban structure, and set the stage for additional growth. The urban environments developed on these sites will have a direct impact on their respective areas, and consequently on the quality of life of users, adjacent development, and abutting neighborhoods.



The urban design challenge is for the projects proposed on these sites to make a meaningful contribution to the city, both economically and aesthetically. To achieve a balance between the potential economic benefits and the potential environmental impacts, urban design considerations should be given serious weight, and the environmental review process should be thorough. Initial development guidelines have been drafted to encourage the design of buildings for both sites that add to Boston's exciting urban environment. These guidelines not only target the expansion of office space to meet Boston's need for more jobs, but also include active ground floor uses to add vitality to the street experience. The final design guidelines should set standards for form and materials to provide for buildings that relate to the existing context and create the kind of urban spaces for which Boston is famous. Conceptual plans have been established to coordinate development on adjacent parcels in order to ensure that all development projects address the varying needs of adjacent residential and business communities.

Based on these draft design guidelines and the proposed development programs, environmental review could be undertaken to guarantee that potential impacts are mitigated. Development alternatives should be reviewed by the impacted communities to determine community needs and concerns. These reviews should be completed prior to developer selection to expedite the development process.



In 1966, the Massachusetts Department of Public Works began to clear land along the Southwest Corridor. The idea was to build a Southwest Expressway from Interstate 95 in Canton through Hyde Park, Roslindale, Jamaica Plain, Roxbury and the South End. The proposed eight-lane highway would join a new inner belt at Northeastern University and continue across town to the Massachusetts Avenue ramp of the Southeast Expressway. In the clearance process for the highway and the Orange Line, more than 1,000 households and businesses were removed and relocated. Accelerated neighborhood deterioration began along the path of the proposed road. A decade of efforts by the city, state, and community to improve the local economy and the quality of life in these neighborhoods was reversed.

Controversy arose in the community over the devastating impacts associated with the Inner Belt project. Not since the massive clearance of the West End had Boston's neighborhoods been so ill treated by government. In response to the voices of the community, in 1971 Governor Sargent proposed the Boston Transportation Planning Review to study alternatives to the eight-lane highway. Participating in the study were a number of community organizations, including: Operation Stop; SEPAC, Jamaica Plain Community Council, Lower Roxbury Community Corporation, Chinese Consolidated Benevolent Association, United Neighbors of Lower Roxbury, Cooper Community Center, Roxbury Action Program, Roxbury APAC, Greater Boston Development Corp., Bromley Heath Tenants Management Comm., South End Neighborhood Action Program, Roxbury Multi-Service Center, and Harriet Tubman House.



The chorus of concern changed public policy in a fundamental way. Finally, in June of 1975, the I-95 roadway was officially removed from the Federal Interstate Highway System by Governor Michael Dukakis. All construction funds previously earmarked for the highway were transferred to transit and community development. This turn of events marked the first time that a major expressway had been stopped by the community and the funding and land converted to community benefit.

With a common voice, people across the Corridor expressed a vision for a new community. It would be a community of economic opportunity, affordable housing, jobs for residents, and it would be a community of tolerance and acceptance of diversity. Most importantly, it would be a community planned by and for the community's benefit.

The last and most critical objective of the Parcel to Parcel Linkage Program, Project I, is to fulfill the community's vision for the Southwest Corridor. Until this is done, the hours of effort, the courageous stands taken by public officials and community organizers, the dreams and aspirations so deeply felt and so long held by hundreds and hundreds of people have been for naught.

The community's continued dedication to their vision for the Southwest Corridor will lead to its fulfillment. The Parcel 18+ Task Force, composed of representatives of state and city agencies, Northeastern University, the Community Development Corporation of Boston, Lower Roxbury Development Corporation, Greater Roxbury Development Corporation, Roxbury Action Program, Mission Hill Extension, Whittier Street Tenant Policy Council, and United Neighbors of Lower Roxbury, has been pursuing this vision for over



ten years. On July 31, 1985 the Parcel 18+ Task Force reaffirmed its commitment by signing the Memorandum of Agreement with the state and the city. This Agreement outlines the Task Force's vital role in shaping development on Parcel 18 - development that would provide more jobs, more housing, and expanded economic opportunity for community residents, and would contribute an exciting urban form to the area.

For the downtown site, the Chinatown Neighborhood Council will represent the community throughout the development of the Kingston-Bedford Garage site. Their participation will ensure that a project on the Kingston-Bedford site, as well as the entire Columbus Plaza urban design concept, not only provides an enlivened urban environment, but also leads to economic benefits - jobs, housing, and expanded opportunities - for residents of the Chinese community.



## DEVELOPMENT CONCEPT



## DEVELOPMENT CONCEPT

The parcel to parcel development concept rests on the premise that the city can combine resources such as publicly owned land with new development ground rules to direct market investment in ways that achieve public policy objectives. The concept of linking development rights for prime downtown properties to publicly owned neighborhood parcels of land is an innovative program designed to accomplish the objectives outlined in the previous section of this report. The development concept describes proposed development options for each site that contribute to the objectives of the parcel to parcel linkage program. It must be clear that at this time there are no preferred development options.

This section explains the analysis of options for implementing the first project in the parcel to parcel linkage program. Uses and densities for each site are evaluated based upon their contribution to achieving program objectives.

Determining the appropriate financial techniques to implement the development options occurred concurrently with the analysis of uses. These techniques include specific mechanisms for transferring economic value from Kingston-Bedford to Parcel 18, as well as options to reduce up-front capital costs on both sites.

### Context: The Boston Office Economy

Understanding Boston's key role in the regional economy is central to the development concept for this parcel to parcel linkage project. Boston is the core of a "rapid growth" region. Development options for both sites are



designed to reinforce Boston's economic pre-eminence in the region. According to a recent report of the U.S. Bureau of Economic Analysis, Boston may gain 100,000 net new jobs in the decade to 1995. Most of these jobs (some 60,000) would be downtown office jobs. Through appropriate commercial development, an estimated 4,000 office jobs could be created on Parcel 18 to make up a significant share of this projected employment increase. Most importantly, development on Parcel 18 would help to integrate Roxbury with the downtown economy. A major commercial development on Parcel 18 would also generate new investment in the vicinity of the project site. New commercial investment opportunities on sites such as Southwest Corridor Parcels 6X, 8, 9 and 10 would be enhanced by a major commercial presence on Parcel 18.

The office development envisioned on Parcel 18 would emerge at a crucial time for the downtown office market. Unique problems face both the large and small firms occupying Boston's downtown office space. The forty-two large firms with 500 or more workers, (making up 45 percent of downtown employment and accounting for 125,000 jobs), are projected to add an estimated 30,000 jobs by 1995. These firms will need office space that is competitively priced, and lower priced back office space where support services could be relocated.

The much larger number of smaller firms, housed principally in renovated office buildings with lower office rents, are subject to the threat of displacement. Smaller firms have a special significance to the city: they are growing more rapidly than larger employers (with a projected job growth of 40,000 by 1995); and a slightly greater share of their employees tend to be



Boston residents. As their leases expire over the next five years, many smaller firms will be priced out of their existing space. There will be an urgent need for affordable office space if these firms are to remain in Boston with their jobs.

Parcel 18 could help meet the demand for competitively priced office space, and also absorb some of the pressures of Boston's expanding economy.

Roxbury offers: (1) a large, available labor pool with rising skills; (2) competitive wages; (3) lower priced office space; and (4) a fantastic locational advantage with; (5) complementary services not found in ready proximity in suburban areas.

With the completion of the relocated Orange Line, Parcel 18 is seven minutes from the Back Bay and eleven minutes from the downtown. In comparison, the ten primary suburban office markets have an average distance of 9.5 miles from downtown Boston (ranging from Kendall Square's 1.5 miles to Framingham's 20 miles) and an average travel time of one hour. The suburban office parks are also more costly in view of the absence of complementary service activities in ready proximity.

Office development on the Kingston-Bedford would add to the supply of office space along the rapidly expanding southern rim of the financial district. Immediate access to the core of the downtown financial district, and multi-modal transportation facilities close by at South Station make the Kingston-Bedford site one of the most desirable development sites remaining downtown.



## Selecting Uses and Densities to Meet Program Objectives

### o Building A Neighborhood Economy

A series of land use alternatives for both the downtown and the neighborhood sites were evaluated with respect to the economic benefits, urban design, and other program objectives that could be achieved. As the center for lower priced office space, a major commercial development on Parcel 18 could provide an anchor for a new Roxbury economy.

To provide a competitively priced alternative to the suburban office market, the Parcel 18 development program envisions support office space on large (30,000+ SF) floorplates priced at \$22.00/NSF in 1990. To absorb some of the downtown office market, new tower office space at \$28.00/NSF in 1990 would be included.

Retail space proposed for Parcel 18 would be supported by the demand generated by the projected 4,000 new office employees on Parcel 18, together with the patrons of the new \$750 million Orange Line at Ruggles Station. As part of the development concept, 100,000 SF of retail space priced at \$18.00/NSF would be made available to community businesses. The new customers, together with the residents of the planned 150,000 SF Parcel 18 residential development, and patrons of the planned 100,000 SF Community and Performing Arts Center, would lend vitality to the site on an 18-hour-a-day basis. In like fashion the Kingston-Bedford garage parcel could provide a new retail market for Chinatown merchants and area businesses. As part of that development, retail space at \$20.00/NSF would be available to community businesses.



- o Minority Equity

Another major objective of the parcel to parcel linkage program is assuring that minorities participate fully in all aspects of the development. To accomplish this, it is proposed that no less than 25 percent of the projects' equity be held by minorities. This 25 percent participation threshold requirement is viewed as a minimum figure which pertains not only to developer's cash flow, but also to participation in net financing, residuals and syndications. Similarly, minorities would fully participate in project decision-making from the development team's perspective.

- o Community Development

The parcel to parcel linkage program also seeks to provide a continuous source of funding for community economic development and affordable housing development activities.

It is proposed that 10 percent of the initial net sales proceeds from the Kingston-Bedford site be used to capitalize a Neighborhood Development Bank. Thereafter, continuing payments of 5 percent of project Net Operating Income and 10 percent of net financings, syndications and residuals would be used to fund the NDB for a 20 year period.

The Parcel 18 development would also contribute to the NDB. Once the project achieves stabilization, land lease payments of 5 percent of Net Operating Income and 10 percent of net financings, syndications and residuals would be payable to the NDB for 20 years.



o Affordable Housing Creation

To assure that development on Parcel 18 contributes to the surrounding community as an active, secure and inviting center of commerce and neighborhood life, the development program of uses should include a significant amount of housing.

It is proposed that a 150,000 square foot residential mid-rise be developed on one of the available development sites to be created on Parcel 18. The housing should include significant market-rate component, as well as provide housing opportunities for individuals and families of low and moderate-income.

As a neighborhood project, the Parcel 18 development project would be subject to the linkage formula of \$5 per square foot over 100,000 SF, payable over 12 years beginning with the earlier of the certificate of occupancy or two years after a building permit is issued. As a condition of competition, however, up to 50 percent of the linkage generated by the commercial portion of development on Parcel 18 would be required up-front; and up to 50 percent would be targeted to the Roxbury neighborhood. The city will make up to six sites in Roxbury available for housing development by community and minority developers. These sites could benefit from this linkage contribution.

Housing linkage contributions from the Kingston-Bedford development of \$5.00 for every GSF over 100,000 would be payable over seven years. As a condition of the competition, up to 50 percent of the linkage obligation would be required up-front. Moreover, the competition stipulates that up to 50 percent of the linkage would be targeted for Chinatown.



### Financial Linkage Techniques

The parcel size, transportation access, and proximity to the downtown characteristic of Parcel 18 evidence the value of that neighborhood site as the base of a new neighborhood service economy. The critical nature of development on Parcel 18 and the extent of community benefits sought by the program, however, require a form of subsidy. The cost of developing commercial space on Parcel 18 must be financially underwritten in order to be able to offer rents that compete effectively with comparable suburban facilities. As the basic costs of building design and construction do not vary significantly from site to site, the ability to reduce the cost of a major neighborhood commercial project is confined to reducing or deferring up-front capital costs and to lowering the cost of borrowing. By reducing up-front capital and financing costs, Parcel 18 would be able to support more competitive rents. One important resource to provide such a subsidy is the city's linking of the economic value of the sale of the Kingston-Bedford garage site.

The city would attribute the majority of the land value obtained for the Kingston-Bedford site to underwrite development on Parcel 18. That land value depends primarily upon the use to which the Kingston-Bedford site is put, and the size of development occurring on that site. To gauge the effect on land value of a range of development types on the Kingston-Bedford site, the BRA evaluated alternative mixed use development scenarios comprised of such uses as office, hotel, residential (both rental and equity) and retail. While the Kingston-Bedford garage parcel was evaluated with mixed-use development alternatives incorporating both rental and equity housing, these scenarios generated the lower land values than options with office and a small



amount of retail space. Commercial uses are proposed for the Kingston-Bedford site because they lead to higher land values, and therefore greater economic value to help support development on Parcel 18.

Land residual analysis is one technique used to evaluate relative effects on land value of alternative development scenarios. Land residual analysis compares the capitalized project net income in a selected stabilized operating year with the project's total development cost to obtain estimated land values. While this statistical technique is not a precise proxy for market value, it nonetheless has illustrated that Class A office space with ancillary retail space produces the optimal yield on the garage site's land value.

Land residual analyses were conducted on office building scenarios having densities of 700,000 GSF, 900,000 GSF and 1,200,000 GSF. The analyses indicated the greater density of development generated correspondingly higher property values. Land values of \$70-75/FAR GSF for the largest scheme were recorded.

A more commonly accepted way to illustrate the effects of density on land values is to prepare model development and multi-year operating pro formas. Pro formas were prepared for the five alternative build-outs on the project site. These options included buildings having floor areas of 500,000 GSF (Option 1), 700,000 GSF (Option 2), 800,000 GSF (Option 3), 900,000 GSF (Option 4) and 1,000,000 GSF (Option 5). Summary pro formas for Options 2 and 4 appear at the end of the Development Concept section.



In each instance, it is assumed that the project could include 15,000 GSF of retail space affordable to area businesses (rental rate: \$20.00/NSF) and 5,000 GSF of non-income producing childcare space. In addition, it is assumed that the city would assemble the 43,400 LSF project site, would accomplish site preparation and would construct a 500 or 600 car subsurface parking structure (depending on building size). The city's assumption of site assembly and public infrastructure construction responsibilities reflects the Flynn Administration's commitment to the parcel to parcel program.

#### Parcel 18

To refine the reuse analysis of Parcel 18 and to test expressed community preferences for certain types of development on the site and the adjacent area, a market analysis of the Southwest Corridor in the vicinity of the site was commissioned. The Boston real estate management and development consulting firm of Minot, DeBlois & Maddison, Inc., was retained to test market support for office, retail, hotel, residential and cultural uses. The analysis expressed confidence that properly priced office space could compete effectively with suburban locations by virtue of the site's immediate proximity to the new \$750 million Orange Line. That analysis also affirmed the strong market for new housing and retail development.

Land residual analyses were also conducted to test the ability to support a mix of uses on the five parcels constituting Parcel 18. The results of that investigation indicated the need to underwrite a major portion of the development cost of certain of the uses in order to adhere to conservative revenue (competitive rental rate) assumptions.



To establish the amount and type of subsidies required to successfully finance the development on Parcel 18, development and multi-year operating pro formas were prepared for four commercial development scenarios. They included 600,000 GSF of support and executive office and 100,000 GSF of retail space (Option 1); 800,000 GSF of support and executive office and 100,000 GSF retail space developed in two phases (Option 2); 900,000 GSF of support and executive office and 100,000 GSF of retail space (Option 3); and 1.1 million GSF of executive and support office and 100,000 GSF of retail space (Option 4). Illustrative pro formas for Options 1 and 2 appear at the end of this section.

For each scenario, it was assumed that 1990 rents of \$22.00/NSF for support or "back" office space, and \$28.00/NSF for executive office space would be assessed. Retail rental rates for the same period have been estimated at \$18.00/NSF to assure that area businesses would be able to afford this space.

It was further assumed that the commercial project sites would be improved with a 500 or 600 car subsurface parking structure with development air rights being leased to the designated development team with no initial consideration payable. As with the Kingston-Bedford portion of the combined project, the Parcel 18 operating pro formas contemplate the addition of garage net operating income to the project revenue stream arising from the developer's operation of that garage.

These analyses clearly indicate the need for the underwriting of a major share of the development cost of the Parcel 18 development. A range of options



have been considered to establish alternate means by which the economic strength of the Kingston-Bedford project could be used to underwrite the development of Parcel 18.

The analyses of options also indicate that assistance beyond a contribution from the sale of the Kingston-Bedford garage site may be necessary to support development on Parcel 18. A range of options to provide further financial assistance, including site preparation and infrastructure financing were looked at, and are described in more detail below. Many of these techniques are included in the illustrative pro formas. While certain assumptions had to be made for the purpose of analysis, a menu of funding options, including existing state and federal programs, would be considered in any final financial structure. The pro forma assumptions do not reflect specific state or federal funding commitments.

- o Reducing Up Front Land Costs

It is proposed that the Kingston-Bedford site be sold at the linked value and Parcel 18 sites be leased by the public sector property owners to the selected development team. This arrangement would be preferable since it would obviate a substantial up-front land acquisition payment for both sites, consequently reducing the developers' financing costs by lowering the amount that must be borrowed. Also, accrued or current lease or debt service payments would allow the developers to deduct these expense items rather than carry the burden of amortizing a non-depreciable asset, the land.



The linked market sale on the Kingston-Bedford site could be structured to require that a significant payment, on the order of \$20 million, be made to the city. In addition to the initial payment, additional consideration expressed as a percentage of Net Operating Income, say 5 percent, would be payable throughout the 20 year term of the installment sales agreement.

A land lease on Parcel 18 would further reduce the designated development team's upfront capital needs by deferring lease payments until the project achieves a stipulated level of net cash flow. Once the project achieves that agreed-upon performance threshold, payments of current and perhaps accrued lease consideration would be made with all or a portion of the unpaid balance due upon sale or resyndication.

- o Garage Financing

Adequate parking facilities are necessary for development of the type and size recommended for both Parcel 18 and the Kingston-Bedford site. A below-grade parking facility required for each development is extremely expensive to construct, and would impose a significant drain on a developer's capital. As a consequence, the BRA is currently evaluating the possibility of the city and state separately developing and financing subsurface parking to accommodate 500 to 600 cars. The below grade parking facility would provide a "clean" platform upon which the project could be built. A separately financed garage would not only relieve the developer of providing a costly but necessary parking facility, it would also significantly reduce the costs of developing above



grade by providing a foundation for the project. A number of options exist to carry out this element of the project, including a UDAG grant, bond finance, or market competition.

A construction arrangement of this nature would require close cooperation if there were different developers of the separate elements. Initially it is proposed that the financing, construction, and management of the garage would be the responsibility of the public sector.

The pro forma analyses indicate the need not only to reduce the upfront development costs on Parcel 18, but also to reduce the Parcel 18 project's ongoing financing costs.

- o Proceeds from the Sale of the Kingston-Bedford Parcel

The essence of the financial linkage concept is the public sector's willingness to contribute a portion the value of its development sites to leverage development on Parcel 18 and further, to fund community development.

In this first parcel to parcel linkage project, \$15 million in net sales proceeds from the initial land payment made to the city for the Kingston-Bedford site could be made available to the developer of Parcel 18 as a non-recourse second mortgage loan payable only from available cash flow. This arrangement, together with a "patient" land lease payment schedule of Parcel 18, would reduce the upfront capital needs for the Parcel 18 site by \$20 to \$30 million.



While this could be a substantial sum, it would not be sufficient to leverage development on Parcel 18 in a way that would allow the project to offer rents low enough to compete with suburban space. Additional public sector contributions through such mechanisms as a \$10 million UDAG loan from the city to the development team, and a \$5 million CDAG or similar state assistance would be necessary for the parcel to parcel linkage concept to achieve success in a competitive metropolitan office market.

o Additional Subordinated Financing

The provision of the above-described incentive and a \$15 million second mortgage with a patient repayment schedule clearly will improve the economics of the Parcel 18 development. The pro forma analyses indicates, however, that additional assistance may be required.

While the precise blend of incentives for the Parcel 18 development will be determined to meet demonstrated needs, such additional financial assistance as a UDAG-financed loan, state CDAG funds or other public sector financial assistance may be required.

Other City Policies

It is important to note the impact other city policies would have on the economics of the recommended development options, as well as the achievement of the parcel to parcel linkage program's goals. Housing and Job Training Linkage are among the dynamic city initiatives that would influence the economics of development on the Kingston-Bedford and Parcel 18 sites, and generate substantial public benefits.



- o Housing Linkage

A linkage requirement was added to the Boston Zoning Code in December 1983. The original linkage program called for developers of new or substantially rehabilitated commercial space to contribute \$5 for every square foot over 100,000 square feet to a fund to leverage the development of affordable housing. The linkage contribution was payable over 12 years beginning with the earlier of the issuance of a certificate of occupancy or 2 years after the issuance of a building permit. This formula applied to large scale projects city wide.

Earlier this year, the housing linkage formula was amended. The new housing linkage formula distinguishes large scale projects in the downtown from those in the neighborhoods. Downtown projects are now required to pay \$5 per eligible square foot over 7 years, beginning with the issuance of a building permit. Any development project on Kingston-Bedford would be required to abide by this formula. Neighborhood projects, such as any Parcel 18 development project, are exempt from this revised formula. Parcel 18 projects would pay linkage according to the original formula.

In addition, a targeting provision was added to the housing linkage program. Ten percent of linkage payments from downtown projects, and twenty percent of linkage payments from neighborhood projects will be targeted to the impacted neighborhoods. The percentages would apply to the Kingston-Bedford and Parcel 18 sites, respectively.



It should be noted that as a condition of the competition, up to 50 percent of housing linkage obligations for both sites will be required upfront; and up to 50 percent of housing linkage obligations for both sites will be targeted to the respective areas of impact, Roxbury and Chinatown.

o Job Training Linkage

Along with the changes to the housing linkage exaction, a new type of linkage was adopted by the Zoning Commission. All developers of new or substantially rehabilitated large scale commercial projects in the city are required to contribute \$1 per square foot over 100,000 square feet to fund job training. Payments are made in two equal annual installments, beginning at the issuance of a building permit. Projects on both the Parcel 18 and Kingston-Bedford sites would be required to pay job training linkage.

As with housing linkage, a proportion of job training linkage funds would be targeted. Funds generated by either project may be used to train workers for jobs created by that project. Alternately, where a project's tenancy is not definite, twenty percent of jobs linkage payments generated by the project would be reserved for the impacted area.

Taken together, both projects would generate approximately \$1.4 million dollars in job training linkage. A matching grant from the state or the private sector would create a pool of job training funds that could be targeted for job training for both projects.



### Possible Development Scenarios

To understand how the finances of the two projects work together, four development scenarios are examined in detail: Options #2 and #4 for Kingston-Bedford and options #1 and #2 for Parcel 18. Option #2 is a 700,000 sq.ft. and option #4 is a 900,000 SF Class A office and retail project. Such a development would impart significant value to the lot of 140 Essex Street. The proposed development and transaction are summarized on the development and operation pro formas which follow.

A major new commercial development of 700,000 GSF or 900,000 GSF, plus 150,000 GSF of affordable and market rate rental housing and a major new community-based performing and visual arts center are proposed for Parcel 18.

In order to respond to an increasing demand for affordable, conveniently located support office space and new executive, high-rise offices; two major office towers are suggested. Whether concurrently or sequentially developed, these buildings would provide the foundation for the creation of a new neighborhood economy adjacent to the new Ruggles Street station of the Orange Line slated for completion in early 1987.

As the appended pro formas illustrate, this new office space could be supported by very affordable rental rates which can effectively compete with suburban locations and also be affordable to area businesses.



DEVELOPMENT SCENARIO SUMMARY  
KINGSTON-BEDFORD & PARCEL 18

**KINGSTON-BEDFORD DEVELOPMENT**

| <u>Option</u> | <u>Total<br/>GSF</u> | <u>Garage<br/>Size</u> | <u>Total<br/>Dev. Cost</u> | <u>ROTDC*</u> | <u>NOI*</u>  |
|---------------|----------------------|------------------------|----------------------------|---------------|--------------|
| 1             | 500,000              | 500                    | \$ 96,250,000              | 12.37%        | \$11,910,412 |
| 2             | 700,000              | 500                    | \$125,350,000              | 13.12%        | \$16,446,319 |
| 3             | 800,000              | 500                    | \$139,850,000              | 13.37%        | \$18,691,737 |
| 4             | 900,000              | 600                    | \$160,500,000              | 13.48%        | \$21,641,144 |
| 5             | 1,000,000            | 600                    | \$182,075,000              | 13.51%        | \$24,605,484 |

**PARCEL 18 DEVELOPMENT**

| <u>Option</u> | <u>Total<br/>GSF</u> | <u>Garage<br/>Size</u> | <u>Total<br/>Dev. Cost</u> | <u>ROTDC*</u> | <u>NOI*</u>  |
|---------------|----------------------|------------------------|----------------------------|---------------|--------------|
| 1             | 700,000              | 500                    | \$102,550,000              | 8.33%         | \$ 8,547,050 |
| 2 Phase I     | 450,000              | 500                    | \$ 70,175,000              | 6.54%         | \$ 9,736,753 |
| Phase 2       | 450,000              | 0                      | \$ 78,692,500              | 7.76%         | \$11,545,468 |
| 3             | 1,000,000            | 600                    | \$136,000,000              | 8.65%         | \$11,757,448 |
| 4             | 1,200,000            | 600                    | \$158,300,000              | 9.17%         | \$14,522,228 |

\* ROTDC (Return on Total Development Cost) and NOI (Net Operating Income) are calculated based on the first stabilized year of operation.



# KINGSTON-BEDFORD DEVELOPMENT

OPTION #2: 700,000 GSF, 400' Height - 500 car garage

It is assumed that the 43,400± LSF project site will be acquired, assembled, cleared and improved with a 500 car parking garage. No expense of acquiring the site by negotiated purchase or by a public taking is attributed to the development cost of the garage. The designated development team would then acquire the development rights above the garage and would accomplish the construction of a major Class A office development with ancillary community-based retail space and childcare facilities.

Illustrative development and operating pro formas for a 700,000 GSF development of 400' in height appear below.

## Development Pro Forma

### ACQUISITION AND SITE COST

Initial Consideration

\$ 20,000,000

The partnership would acquire the above-grade development rights for an estimated \$20 million, plus 5% of NOI, and 10% of net syndications, net financings and net residuals. The initial cash outlay of \$22/FAR GSF compares favorably with \$40-50+/FAR GSF which new downtown developments currently pay.

### HARD COSTS

Building Construction

\$ 70,000,000

(\$100/gsf)

TOTAL HARD COSTS

70,000,000

The \$100/GSF construction cost estimate is slightly lower than would otherwise be expected for a major commercial development as the underlying garage bears the building foundation costs.

### SOFT COSTS

Architecture/Engineering

3,150,000

Percent of Hard Cost

4.5%

Prof. Serv., Mktg., Brokerage

3,000,000

Constr. Loan Int./Financing Fees

17,000,000

Taxes, Insurance, Permits, Fees

3,150,000

Rent-Up Deficit

4,150,000

TOTAL SOFT COSTS

30,450,000

Percent of Hard Cost

43.5%

Soft Costs as a Percent of TDC

24%

Projected soft costs for professional fees and other expenses are commensurate with large downtown projects reviewed by the BRA in the last 18 months.

### CONTINGENCY

4,900,000

Percent of Hard Cost

7%

A 7% contingency is a mid-range estimate (this item generally varies between 5% and 10% of hard costs). It is a reasonable assumption as the area of greatest uncertainty and potential cost escalation, soils conditions and foundations construction, is assigned to the underlying parking structure.

TOTAL DEVELOPMENT COST (TDC)

\$125,350,000



Kingston-Bedford Option #2: 700,000 GSF, 400' Height - 500 car garage

To project the anticipated financial performance of the development in its first stabilized year (Year 4), an illustrative operating pro forma appears below. It reflects income and expenses from the project itself, as well as the net parking income derived from the developer's operation of the parking garage.

Operating Pro Forma (First Stabilized Year - Year 4)

INCOME\*

|                                     |               |
|-------------------------------------|---------------|
| Office                              |               |
| Floors 2-28 @ \$32.50/nsf           |               |
| 582,472 gsf @ 87% eff @ \$39.53/nsf | \$ 18,768,059 |
| Floors 29-33                        |               |
| 97,528 gsf @ 87% eff. @ \$42.00/nsf | 3,338,844     |

|                                     |          |
|-------------------------------------|----------|
| Retail                              |          |
| 15,000 gsf @ 83% eff. @ \$20.00/nsf | 228,672  |
| Daycare 5,000 gsf @ \$0.00          | <u>0</u> |

TOTAL GROSS INCOME \$ 22,335,575

PARKING NET INCOME 946,387

EFFECTIVE GROSS INCOME 23,281,962

EXPENSES

|                                |                  |
|--------------------------------|------------------|
| Operating Expenses (@ \$5/nsf) | (3,020,250)      |
| Real Estate Taxes              | (3,386,822)      |
| (TDC x .8 x \$31.35/\$1,000)   |                  |
| Linkage Payments               | <u>(428,571)</u> |

TOTAL EXPENSES (6,835,643)

NET OPERATING INCOME \$ 16,446,319

ROTDC (Return on Total Development Cost) 13.12%  
Net Operating Income/Total Development Cost

Purchase Consideration (\$ 822,316)  
Payment to Neighborhood Development Bank (NDB)  
(5% of NOI)

Debt Service (\$128.4 million at 11.5%/25 years) (\$12,344,271)

Before Tax Cash Flow (BTCF) \$ 3,279,733

Cash on Cash Return (BTCF/Equity) 13.08%

Income has been conservatively estimated. Office rental rates for a 1990 completion averaging \$32.50/NSF for lower floors and \$42.50 for upper floors is at or below projected rental levels for already approved projects. A premium rental rate for top floors of \$45.50/NSF on average compares very favorably with reported rates of \$50.00-\$60.00/NSF for comparable space in new downtown office buildings.

Retail space priced at \$20/NSF will be affordable to businesses serving Chinatown residents and/or operated by minority businesses (comparable space may rent for \$60/NSF).

This income includes a 10% vacancy. This vacancy rate is used in light of a projected slowing of new office space absorption when such developments as International Place, 101 Arch Street, 101 and 105 Federal Street come on line.

As indicated on the garage operating pro forma, net income from the operation of the parking garage is available to assist in improving the projected performance of the office development.

Operating expenses and real estate taxes are comparable to or slightly greater than those indicated in pro formas for comparable projects now under review. Linkage payments are calculated based on the formula of \$5/gsf (over 100,000 sf) paid over 7 years (for housing) and \$1/gsf paid over 2 years (for job training).

ROTDC is a measure of project financial performance expressed as the ratio of Net Operating Income to Total Development Cost. It indicates the productivity of total capital invested, both debt and invested equity.

This payment will go to the NDB which will fund a variety of community development projects including housing, neighborhood businesses, and CDC and non-profit community organization programs.

Cash on cash return indicates the ratio of cash remaining after the payment of operating expenses, debt service, and return to NDB to invested equity on a pre-tax basis.

\*Rents shown are Year 1 base rents. Income is based on 6% annual escalation and a 4 year rent-up.



# KINGSTON-BEDFORD DEVELOPMENT

OPTION #4: 900,000 GSF, 495' Height - 600 car garage

It is assumed that the 43,400± LSF project site will be acquired, assembled, cleared and improved with a 600 car parking garage. No expense of acquiring the site by negotiated purchase or by a public taking is attributed to the development cost of the garage. The designated development team would then acquire the development rights above the garage and would accomplish the construction of a major Class A office development with ancillary community-based retail space and childcare facilities.

Illustrative development and operating pro formas for a 900,000 GSF development of 495' in height appear below.

## Development Pro Forma

### ACQUISITION AND SITE COST

Initial Consideration

\$ 20,000,000

The partnership would acquire the above-grade development rights for an estimated \$20 million, plus 5% of NOI, and 10% of net syndications, net financings and net residuals. The initial cash outlay of \$22/FAR GSF compares favorably with \$40-50+/FAR GSF which new downtown developments currently pay.

### HARD COSTS

Building Construction

\$ 90,000,000

(\$100/gsf)

TOTAL HARD COSTS

90,000,000

The \$100/GSF construction cost estimate is slightly lower than would otherwise be expected for a major commercial development as the underlying garage bears the building foundation costs.

### SOFT COSTS

Architecture/Engineering

4,050,000

Percent of Hard Cost

4.5%

Prof. Serv., Mktg., Brokerage

3,000,000

Constr. Loan Int./Financing Fees

25,000,000

Taxes, Insurance, Permits, Fees

5,150,000

Rent-Up Deficit

7,000,000

TOTAL SOFT COSTS

44,200,000

Percent of Hard Cost

49%

Soft Costs as a Percent of TDC

28%

Projected soft costs for professional fees and other expenses are commensurate with large downtown projects reviewed by the BRA in the last 18 months.

### CONTINGENCY

Percent of Hard Cost

6,300,000

7%

A 7% contingency is a mid-range estimate (this item generally varies between 5% and 10% of hard costs). It is a reasonable assumption as the area of greatest uncertainty and potential cost escalation, soils conditions and foundations construction, is assigned to the underlying parking structure.

TOTAL DEVELOPMENT COST (TDC)

\$160,500,000



Kingston-Bedford Option #4: 900,000 GSF, 495' Height - 600 car garage

To project the anticipated financial performance of the development in its first stabilized year (Year 4), an illustrative operating pro forma appears below. It reflects income and expenses from the project itself, as well as the net parking income derived from the developer's operation of the parking garage.

Operating Pro Forma (First Stabilized Year - Year 4)

INCOME\*

|                                     |               |
|-------------------------------------|---------------|
| Office                              |               |
| Floors 2-12 @ \$32.50/nsf           |               |
| Floors 13-28 @ \$42.50/nsf          |               |
| 710,000 gsf @ 87% eff @ \$39.53/nsf | \$ 22,877,189 |
| Floors 39-42 @ \$45.00 (avg.)       |               |
| 170,000 gsf @ 87% eff.              | 6,235,610     |

|                                     |          |
|-------------------------------------|----------|
| Retail                              |          |
| 15,000 gsf @ 83% eff. @ \$20.00/nsf | 228,672  |
| Daycare 5,000 gsf @ \$0.00          | <u>0</u> |

TOTAL GROSS INCOME \$ 29,341,470

PARKING NET INCOME 1,097,991

EFFECTIVE GROSS INCOME 30,439,461

EXPENSES

|                                |                  |
|--------------------------------|------------------|
| Operating Expenses (@ \$5/nsf) | (3,890,250)      |
| Real Estate Taxes              | (4,336,639)      |
| (TDC x .8 x \$31.35/\$1,000)   |                  |
| Linkage Payments               | <u>(571,429)</u> |

TOTAL EXPENSES (8,798,317)

NET OPERATING INCOME \$ 21,641,144

ROTDC (Return on Total Development Cost) 13.48%  
Net Operating Income/Total Development Cost

Purchase Consideration (\$1,082,057)  
Payment to Neighborhood  
Development Bank (NDB)  
(5% of NOI)

Debt Service (\$128.4 million at 11.5%/25 years) (\$15,805,787)

Before Tax Cash Flow (BTCF) \$ 4,753,300

Cash on Cash Return (BTCF/Equity) 14.81%

Income has been conservatively estimated. Office rental rates for a 1990 completion averaging \$32.50/NSF for lower floors and \$42.50 for upper floors is at or below projected rental levels for already approved projects. A premium rental rate for top floors of \$45.00/NSF on average compares very favorably with reported rates of \$50.00-\$60.00/NSF for comparable space in new downtown office buildings.

Retail space priced at \$20/NSF will be affordable to businesses serving Chinatown residents and/or operated by minority businesses (comparable space may rent for \$60/NSF).

This income includes a 10% vacancy. This vacancy rate is used in light of a projected slowing of new office space absorption when such developments as International Place, 101 Arch Street, 101 and 105 Federal Street come on line.

As indicated on the garage operating pro forma, net income from the operation of the parking garage is available to assist in improving the projected performance of the office development.

Operating expenses and real estate taxes are comparable to or slightly greater than those indicated in pro formas for comparable projects now under review. Linkage payments are calculated based on the formula of \$5/gsf (over 100,000 sf) paid over 7 years (for housing) and \$1/gsf paid over 2 years (for job training).

ROTDC is a measure of project financial performance expressed as the ratio of Net Operating Income to Total Development Cost. It indicates the productivity of total capital invested, both debt and invested equity.

This payment will go to the NDB which will fund a variety of community development projects including housing, neighborhood businesses, and CDC and non-profit community organization programs.

Cash on cash return indicates the ratio of cash remaining after the payment of operating expenses, debt service, and return to NDB to invested equity on a pre-tax basis.

\*Rents shown are Year 1 base rents. Income is based on 6% annual escalation and a 4 year rent-up.



PARCEL 18 DEVELOPMENT

Option #1c: - 700,000 GSF of Commercial Space - 500 Car Garage

It is assumed that the 5.5 acres± project site is assembled by the City of Boston, the Commonwealth of Massachusetts and the MBTA. Five development sites ranging in area from 25,000± LSF to 45,000± LSF would then be created. The designated development team would then lease the development rights above a 500 car parking garage built below-grade on the commercial redevelopment parcels.

| DEVELOPMENT PROGRAM    | Gross SF | % Effic. | Net SF  |
|------------------------|----------|----------|---------|
| Office (Support Space) | 200,000  | 87.00%   | 174,000 |
| (Executive Space)      | 400,000  | 87.00%   | 348,000 |
| Retail                 | 100,000  | 83.00%   | 83,000  |
| Residential*           | 0        | 80.00%   | 0       |
| Garage*                | 0        |          | 0       |
| TOTAL                  | 700,000  |          | 605,000 |

Development Pro FormaACQUISITION AND SITE COSTS

Initial Consideration

\$ 0

To reduce up-front project costs, it is recommended that payment of the land purchase price be carried as a lease payment or installment sales payment, rather than as an initial capital outlay.

HARD COSTSConstruction

|                                       |               |
|---------------------------------------|---------------|
| Office @ \$100.00/GSF                 | \$ 60,000,000 |
| Retail @ \$100.00/GSF                 | 10,000,000    |
| Residential @ \$90.00/GSF*            | 0             |
| Garage (Cost/Space) @ \$27,000/Space* | 0             |

Foundation Premium

0

TOTAL HARD COSTS:

70,000,000

These construction cost estimates are slightly lower than comparable projects as the underlying garage bears building foundation costs.

SOFT COSTS

|                                     |           |
|-------------------------------------|-----------|
| Architecture/Engineering            | 3,150,000 |
| Percent of Hard Costs               | 4.50%     |
| Legal, Accounting, Mktg., Brokerage | 6,500,000 |
| Const. Loan Int./Financing Fees     | 9,000,000 |
| Taxes, Insurance, Permits, Fees     | 4,000,000 |
| Rent-up Deficit                     | 5,000,000 |

TOTAL SOFT COSTS

27,650,000

Percent of Hard Costs

39.50%

Projected soft costs are comparable to similar projects recently reviewed by the BRA.

CONTINGENCY

Percent of Hard Costs

4,900,000

7.00%

A 7% contingency is a mid-range estimate (this item generally varies between 5% and 10% of hard costs). It is a reasonable assumption as the area of greatest uncertainty and potential cost escalation, soil conditions and foundations construction, is assigned to the underlying parking structure.

TOTAL DEVELOPMENT COST

\$102,550,000

\* Residential and Garage components are developed and financed separately.



Parcel 18 Option #1c: 700,000 GSF of Commercial Space - 500 car garage

To project the anticipated financial performance of the development in its first stabilized year (Year 4), an illustrative operating pro forma appears below. It reflects income and expenses from the commercial portion of the development, as well as the net parking income derived from the developer's operation of the parking garage.

Operating Pro Forma (First Stabilized Year - Year 4)

INCOME\*

|                                |              |
|--------------------------------|--------------|
| Office (support) @ \$22.00/nsf | \$ 3,586,495 |
| (executive) @ \$28.00/nsf      | 9,129,259    |
| Retail @ \$18.00/NSF           | 1,372,030    |
| Residential                    | <u>0</u>     |

Income has been conservatively estimated. Rates of \$22/nsf are set to offer an incentive to businesses to locate back office space on Parcel 18 rather than in suburban locations. Executive space at \$28/nsf is expected to be well below downtown prices and competitive with the outlying markets. The retail rent is priced relatively low in order to afford minority-owned and Roxbury-based businesses an opportunity to rent space.

TOTAL GROSS INCOME \$ 14,087,784

This income includes 10% vacancy. This conservative vacancy rate is used to reflect a slowing of the office absorption rate and to allow for the development of Parcel 18 as a strong office location.

Net Parking Income 505,106

Net income from the operation of garage the parking is available to assist in improving the projected performance of the office development.

EFFECTIVE GROSS INCOME 14,592,890

EXPENSES

|                     |                |
|---------------------|----------------|
| Operating Expenses  |                |
| Office @ \$5.00/NSF | \$ (2,610,000) |
| Retail @ \$5.00/NSF | (415,000)      |
| Garage              | <u>0</u>       |

Operating expenses and real estate taxes are comparable with those indicated on pro formas for similar projects now under review.

|                                                |                  |
|------------------------------------------------|------------------|
| Real Estate Taxes (TDC x .8 x \$31.35/\$1,000) | (2,770,840)      |
| Linkage Payments                               | <u>(250,000)</u> |

Linkage payments are calculated based on the formula of \$5/gsf over 100,000 sf paid over 12 years (for housing) and \$1/gsf paid over 2 years (for job training).

TOTAL EXPENSES (6,045,840)

NET OPERATING INCOME (NOI) \$ 8,547,050

ROTDC (Return on Total Development Cost) 8.33%  
Net Operating Income/Total Development Cost

ROTDC is a measure of project financial performance expressed as the ratio of Net Operating Income to Total Development Cost. It indicates the productivity of total capital invested, both debt and invested equity.

Lease Payment to Neighborhood Development Bank (NDB) (5% of NOI) (854,705)

This payment will go to the NDB which will support a variety of community projects, including housing, neighborhood businesses, and CDC and non-profit community organization programs.

Annual Debt Service (\$52,040,000 @ 11.5%/25 years) (6,406,022)

Before Tax Cash Flow (BTCF) \$ 1,286,323

Cash on Cash Return (BTCF/Equity) 6.27%

Cash on cash return indicates the ratio of cash remaining after the payment of operating expenses, debt service and a return to invested equity on a pre-tax basis.

\* Rents shown are Year 1 base rents. Income is based on 6% annual escalation and a 4 year rent-up.



**PARCEL 18 DEVELOPMENT**

Option #2: - 900,000 GSF of Commercial Space Built in Two Phases - 500 Car Garage

It is assumed that the 5.5 acre± project site is assembled by the City of Boston, the Commonwealth of Massachusetts and the MBTA. Five development sites ranging in area from 25,000± LSF to 45,000± LSF would then be created. The designated development team would then lease the development rights above a 500 car parking garage built below-grade on the commercial redevelopment parcels. This scenario assumes that construction occurs in two phases over a four year period.

| DEVELOPMENT PROGRAM: PHASE 1 | Gross SF       | % Effic. | Net SF         |
|------------------------------|----------------|----------|----------------|
| Office (Support Space)       | 125,000        | 87.00%   | 108,750        |
| (Executive Space)            | 275,000        | 87.00%   | 239,250        |
| Retail                       | 50,000         | 83.00%   | 41,500         |
| Performing Arts Center**     | 0              | 90.00%   | 0              |
| Residential*                 | 0              | 80.00%   | 0              |
| Garage*                      | 0              |          |                |
| <b>TOTAL</b>                 | <b>450,000</b> |          | <b>389,500</b> |

| DEVELOPMENT PROGRAM: PHASE 2 | Gross SF       | % Effic. | Net SF         |
|------------------------------|----------------|----------|----------------|
| Office (Support Space)       | 125,000        | 87.00%   | 108,750        |
| (Executive Space)            | 275,000        | 87.00%   | 239,250        |
| Retail                       | 50,000         | 83.00%   | 41,500         |
| Residential*                 | 0              | 80.00%   | 0              |
| Garage*                      | 0              |          |                |
| <b>TOTAL</b>                 | <b>450,000</b> |          | <b>389,500</b> |

**Development Pro Forma: Phase 1****ACQUISITION AND SITE COSTS**

|                       |      |                                                                                                                                                                                                   |
|-----------------------|------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Initial Consideration | \$ 0 | To reduce up-front project costs, it is recommended that payment of the land purchase price be carried as a lease payment or installment sales payment, rather than as an initial capital outlay. |
|-----------------------|------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**HARD COSTS****Construction**

|                            |               |
|----------------------------|---------------|
| Office @ \$100.00/GSF      | \$ 40,000,000 |
| Retail @ \$100.00/GSF      | 5,000,000     |
| Residential @ \$90.00/GSF* | 0             |
| Garage @ \$27,000/Space*   | 0             |
| Foundation Premium         | 0             |

|                          |                      |
|--------------------------|----------------------|
| <b>TOTAL HARD COSTS:</b> | <b>\$ 45,000,000</b> |
|--------------------------|----------------------|

These construction cost estimates are slightly lower than comparable projects as the underlying garage bears building foundation costs.

**SOFT COSTS**

|                                     |           |
|-------------------------------------|-----------|
| Architecture/Engineering            | 2,025,000 |
| Percent of Hard Costs               | 4.50%     |
| Legal, Accounting, Mktg., Brokerage | 5,000,000 |
| Const. Loan Int./Financing Fees     | 8,500,000 |
| Taxes, Insurance, Permits, Fees     | 2,500,000 |
| Rent-up Deficit                     | 4,000,000 |

|                         |                      |
|-------------------------|----------------------|
| <b>TOTAL SOFT COSTS</b> | <b>\$ 22,025,000</b> |
| Percent of Hard Costs   | 48.94%               |

Projected soft costs are comparable to similar projects recently reviewed by the BRA.

**CONTINGENCY**

|                       |           |
|-----------------------|-----------|
| Percent of Hard Costs | 3,150,000 |
|                       | 7.00%     |

A 7% contingency is a mid-range estimate (this item generally varies between 5% and 10% of hard costs). It is a reasonable assumption as the area of greatest uncertainty and potential cost escalation, soil conditions and foundations construction, is assigned to the underlying parking structure.

|                               |                      |
|-------------------------------|----------------------|
| <b>TOTAL DEVELOPMENT COST</b> | <b>\$ 70,175,000</b> |
|-------------------------------|----------------------|

\* Residential and Garage components are developed and financed separately.

\*\* Performing Arts Center is developed and financed separately. The cost of the project is estimated to be approximately \$80 million (\$80/GSF).



Development Pro Forma: Phase 2

ACQUISITION AND SITE COSTS  
400,000 GSF @ \$10.00/FAR GSF

\$ 4,000,000

The payment of \$10/FAR SF is made in Phase 2 of the project. This rate compares very favorably with land prices for comparable locations. It assumes the development of Parcel 18 as a competitive office/retail location.

HARD COSTS

Construction

|                             |               |
|-----------------------------|---------------|
| Office @ \$110.00/GSF       | \$ 44,000,000 |
| Retail @ \$110.00/GSF       | 5,500,000     |
| Residential @ \$100.00/GSF* | 0             |
| Garage @ \$27,000/Space*    | 0             |
| Foundation Premium          | <u>0</u>      |

TOTAL HARD COSTS:

\$ 49,500,000

These construction cost estimates are slightly lower than in Phase 1 comparable to account for inflation.

SOFT COSTS

|                                     |                  |
|-------------------------------------|------------------|
| Architecture/Engineering            | 2,227,500        |
| Percent of Hard Costs               | 4.50%            |
| Legal, Accounting, Mktg., Brokerage | 5,000,000        |
| Const. Loan Int./Financing Fees     | 8,500,000        |
| Taxes, Insurance, Permits, Fees     | 2,000,000        |
| Rent-up Deficit                     | <u>4,000,000</u> |

TOTAL SOFT COSTS

Percent of Hard Costs

\$ 21,727,500  
43.89%

Projected soft costs are comparable to similar projects recently reviewed by the BRA.

CONTINGENCY

Percent of Hard Costs

3,465,000  
7.00%

TOTAL DEVELOPMENT COST

\$ 78,692,500

\* Residential and Garage components are developed and financed separately.



Parcel 18 Option #2: 900,000 GSF of Commercial Space Built in Two Phases - 500 car garage

To project the anticipated financial performance of the development in its first stabilized year (Year 4), an illustrative operating pro forma appears below. It reflects income and expenses from the commercial portion of the development, as well as the net parking income derived from the developer's operation of the parking garage.

Operating Pro Forma (First Stabilized Year of Phase 1 - Year 4)

INCOME\*

PHASE 1 (10% Vacancy)

|                                |              |
|--------------------------------|--------------|
| Office (support) @ \$22.00/nsf | \$ 2,241,559 |
| (executive) @ \$28.00/nsf      | 6,276,365    |
| Retail @ \$18.00/NSF           | 686,015      |
| Residential                    | <u>0</u>     |

Income has been conservatively estimated. Rates of \$22/nsf are set to offer an incentive to businesses to locate back office space on Parcel 18 rather than in suburban locations. Executive space at \$28/nsf is expected to be well below downtown prices and competitive with the outlying markets. The retail rent is priced relatively low in order to afford minority-owned and Roxbury-based businesses an opportunity to rent space.

Subtotal Phase 1 Income: \$ 9,203,939

PHASE 2 (25% Vacancy)

|                                |                |
|--------------------------------|----------------|
| Office (support) @ \$24.00/nsf | \$ 2,040,354   |
| (executive) @ \$31.00/nsf      | 5,712,990      |
| Retail @ \$21.00/nsf           | <u>760,432</u> |

This income includes 10% vacancy. This conservative vacancy rate is used to reflect a slowing of the office absorption rate and to allow for the development of Parcel 18 as a strong office location.

Subtotal Phase 2 Income: \$ 8,513,777

TOTAL GROSS INCOME PHASES 1 & 2: \$ 17,717,716

Net Parking Income 505,106

Net income from the operation of garage the parking is available to assist in improving the projected performance of the office development.

EFFECTIVE GROSS INCOME 18,222,823

EXPENSES PHASE 1 & 2

|                           |                |
|---------------------------|----------------|
| <u>Operating Expenses</u> |                |
| Office @ \$5.00/NSF       | \$ (3,480,000) |
| Retail @ \$5.00/NSF       | (415,000)      |
| Garage                    | <u>0</u>       |

Operating expenses and real estate taxes are comparable with those indicated on pro formas for similar projects now under review.

|                                                |                  |
|------------------------------------------------|------------------|
| Real Estate Taxes (TDC x .8 x \$31.35/\$1,000) | (2,124,430)      |
| Linkage Payments                               | <u>(466,667)</u> |

Linkage payments are calculated based on the formula of \$5/gsf over 100,000 sf paid over 12 years (for housing) and \$1/gsf paid over 2 years (for job training).

TOTAL EXPENSES PHASES 1 & 2: (8,486,070)

NET OPERATING INCOME (NOI) \$ 9,736,753

ROTDC (Return on Total Development Cost) 6.54%  
Net Operating Income/Total Development Cost

ROTDC is a measure of project financial performance expressed as the ratio of Net Operating Income to Total Development Cost. It indicates the productivity of total capital invested, both debt and invested equity.

Lease Payment to Neighborhood Development Bank (NDB) (5% of NOI) 0

This payment will go to the NDB which will support a variety of community projects, including housing, neighborhood businesses, and CDC and non-profit community organization programs. However, this payment is only made if NOI is sufficient to cover debt service. This will occur first in Year 8.

Annual Debt Service (\$104,094,000 @ 11.5%/25 years) (12,445,905)

Before Tax Cash Flow (BTCF) \$ (2,709,152)



Combined Operating Pro Forma (First Stabilized Year of Phase 2-Year 5)

INCOME\*

PHASE 1 (10% Vacancy)

|                                |                |
|--------------------------------|----------------|
| Office (support) @ \$22.00/nsf | \$ 2,241,559   |
| (executive) @ \$28.00/nsf      | 6,276,365      |
| Retail @ \$18.00/NSF           | <u>686,015</u> |

Subtotal Phase 1 Income: \$ 9,203,939

PHASE 2 (10% Vacancy)

|                                |                |
|--------------------------------|----------------|
| Office (support) @ \$24.00/nsf | \$ 2,493,426   |
| (executive) @ \$31.00/nsf      | 6,981,590      |
| Retail @ \$21.00/nsf           | <u>760,432</u> |

Subtotal Phase 2 Income: \$ 10,235,448

TOTAL GROSS INCOME PHASES 1 & 2: \$ 19,439,388

EXPENSES PHASE 1 & 2

|                           |                |
|---------------------------|----------------|
| <u>Operating Expenses</u> |                |
| Office @ \$5.00/NSF       | \$ (3,480,000) |
| Retail @ \$5.00/NSF       | (415,000)      |
| Garage                    | 0              |

|                                                |                  |
|------------------------------------------------|------------------|
| Real Estate Taxes (TDC x .8 x \$31.35/\$1,000) | (4,227,513)      |
| Linkage Payments                               | <u>(291,667)</u> |

TOTAL EXPENSES PHASES 1 & 2: (8,414,180)

NET OPERATING INCOME (NOI) \$ 11,545,468

ROTDC (Return on Total Development Cost) 7.76%  
(NOI/TDC)

Lease Payment to Neighborhood Development Bank (NDB) (5% of NOI) 0

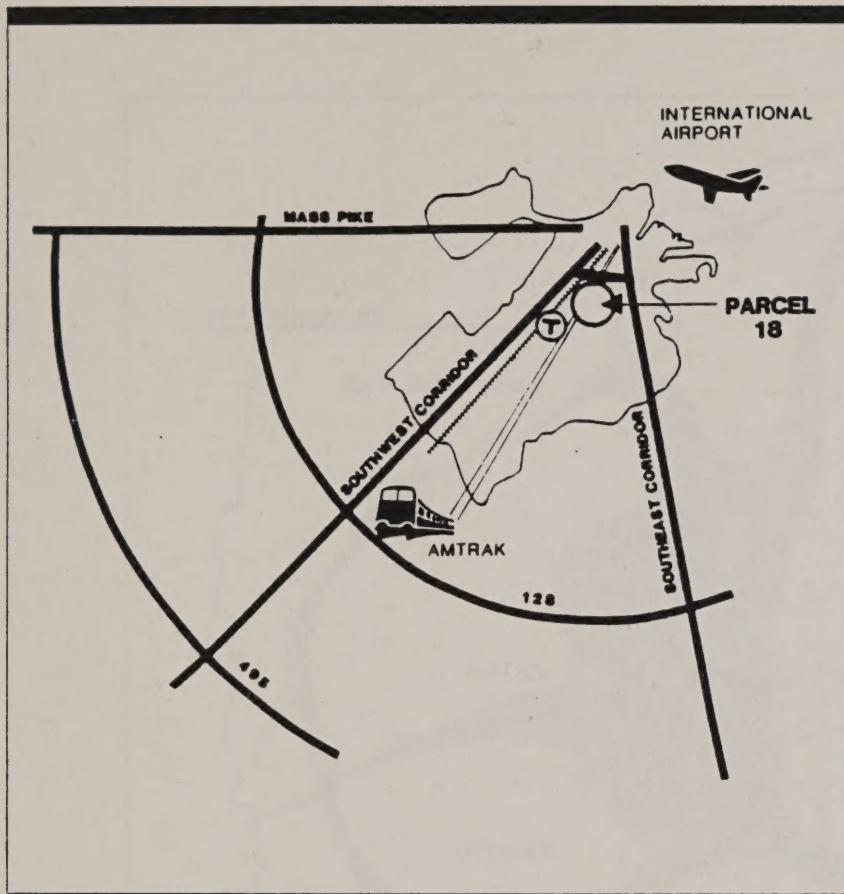
Annual Debt Service (\$104,094,000 @ 11.5%/25 years) (12,445,905)

Before Tax Cash Flow (BTCF) \$ (900,437)

\* Rents shown are Year 1 base rents. Income is based on 6% annual escalation and a 4 year rent-up.



## PARCEL 18: PROXIMITY TO DOWNTOWN AND TRANSPORTATION



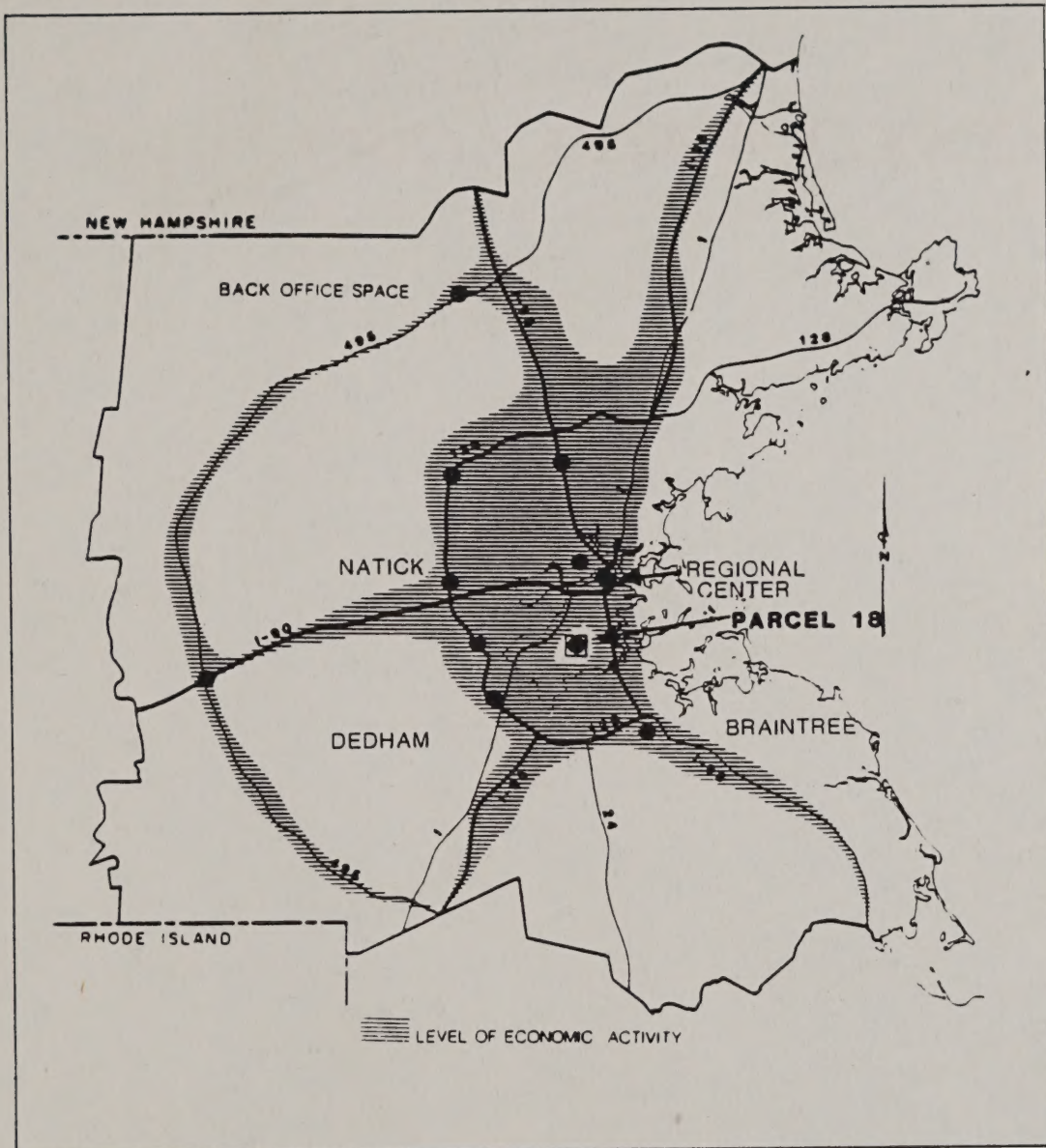
### Location

Parcel 18 is

- 6 Minutes to Copley Square
- 8 Minutes to Post Office Square
- 13 Minutes to Logan Airport
- 8.4 Miles to Route 128
- Next to Orange Line



## AREA MARKETS





## URBAN DESIGN CONCEPT



## URBAN DESIGN CONCEPT

The concepts illustrated in this section represent the departure point for an informed community discussion and process. They represent the recognition that the Kingston-Bedford Garage Site and Parcel 18 would not only have economic benefits for the communities, but would also have a positive impact by contributing the kinds of activities and architectural design that would improve the areas. These vacant and underutilized sites are envisioned as creating urban places in the Boston tradition which include active retailing, housing, open space and other uses in balance and variety. In order to accomplish these ends, guidelines would be established to ensure that this development elevates the quality of life for its users. The illustrations and concepts which follow indicate the kind of urban places these projects would produce.

As a further incentive to develop these projects, sites would be delivered with the necessary environmental studies initiated. These projects would require environmental impact reports to assess their effects on wind, traffic, daylight and shadow, noise, construction, and other environmental issues. This advanced preparation would also include the community review process as well as other governmental review procedures including MEPA compliance.

The following illustrations and concepts are a capsulization of extensive urban design study and analysis undertaken by the BRA to date. The Kingston-Bedford site is included as the focus of a larger plan referred to as Columbia Plaza which would integrate the development opportunities along the Essex Street corridor. In a similar manner, Parcel 18 is subdivided to create several development opportunities. These concepts reflect the tremendous potential of the targeted sites and the kind of contextural development that would be produced.



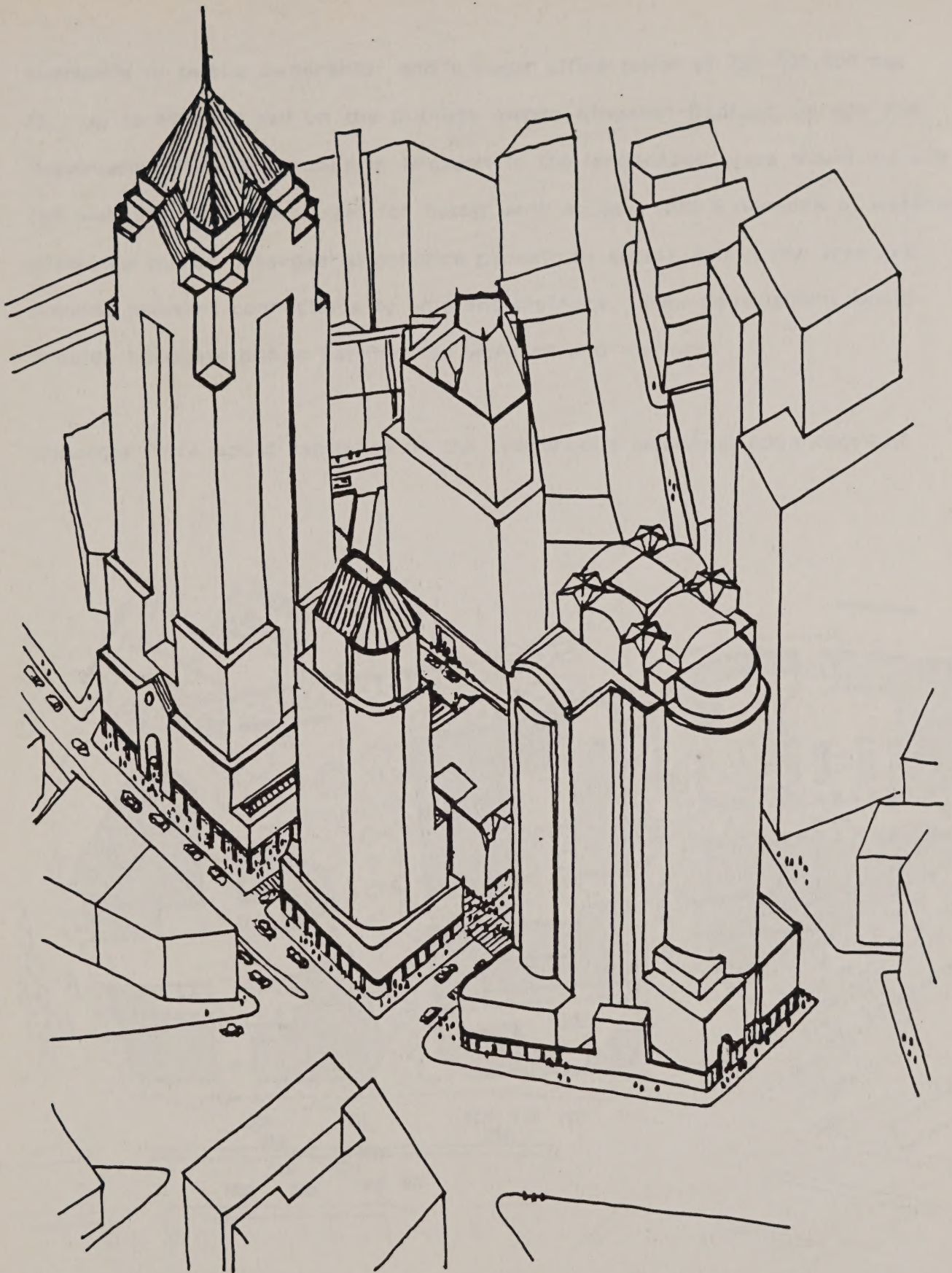
## COLUMBIA PLAZA



Columbia Plaza would developed between Lincoln, Essex, Kingston and Bedford Streets adjacent to the Financial District, the Downtown Crossing shopping district, the Dewey Square transportation services, the historic Church Green area, and Chinatown. This major mixed-use sub-center would be focused on a public plaza offering street-life and amenities with a distinctively Boston flavor. When completed the area will provide over 10,000 jobs.

Columbia Plaza would include 99 Summer Street (under construction), an office and retail building of 265,000 sq. ft.; the Lincoln Block (125 Summer Street, under design), 500,000 sq. ft. of commercial and retail space; a mixed-use office, hotel, residential building on the Essex-Lincoln site



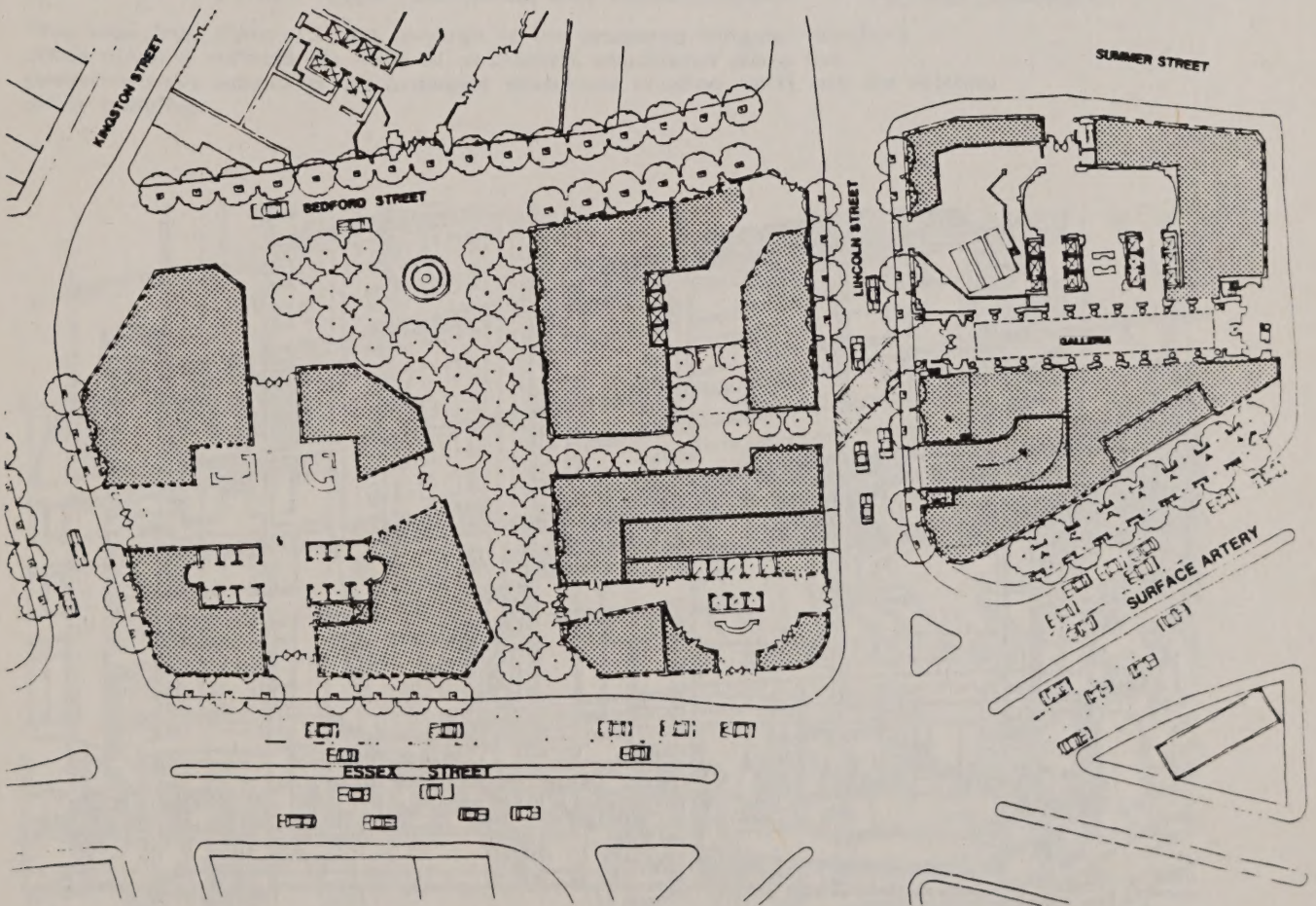


Columbia Plaza includes (clockwise) the Lincoln Block, a proposed 500,000 sq.ft. office building as indicated in the foreground; a mixed-use building (office/hotel/residential); a 490 ft. commercial office building on the site of the Kingston-Bedford garage, and 99 Summer Street, a 265,000 sq.ft. office building under construction.



currently in public ownership; and a major office tower of 750-900,000 sq. ft., up to 490 feet tall on the publicly owned Kingston-Bedford Garage site. Improvements for the public in addition to the landscaped plaza would include the widening of Essex Street for better auto access, and a network of weather-protected public passages to enhance pedestrian access within the area and provide pleasant connections to adjacent districts. New development would provide adequate public parking for workers and visitors.

Columbia Plaza would capitalize on the tremendous locational advantages of

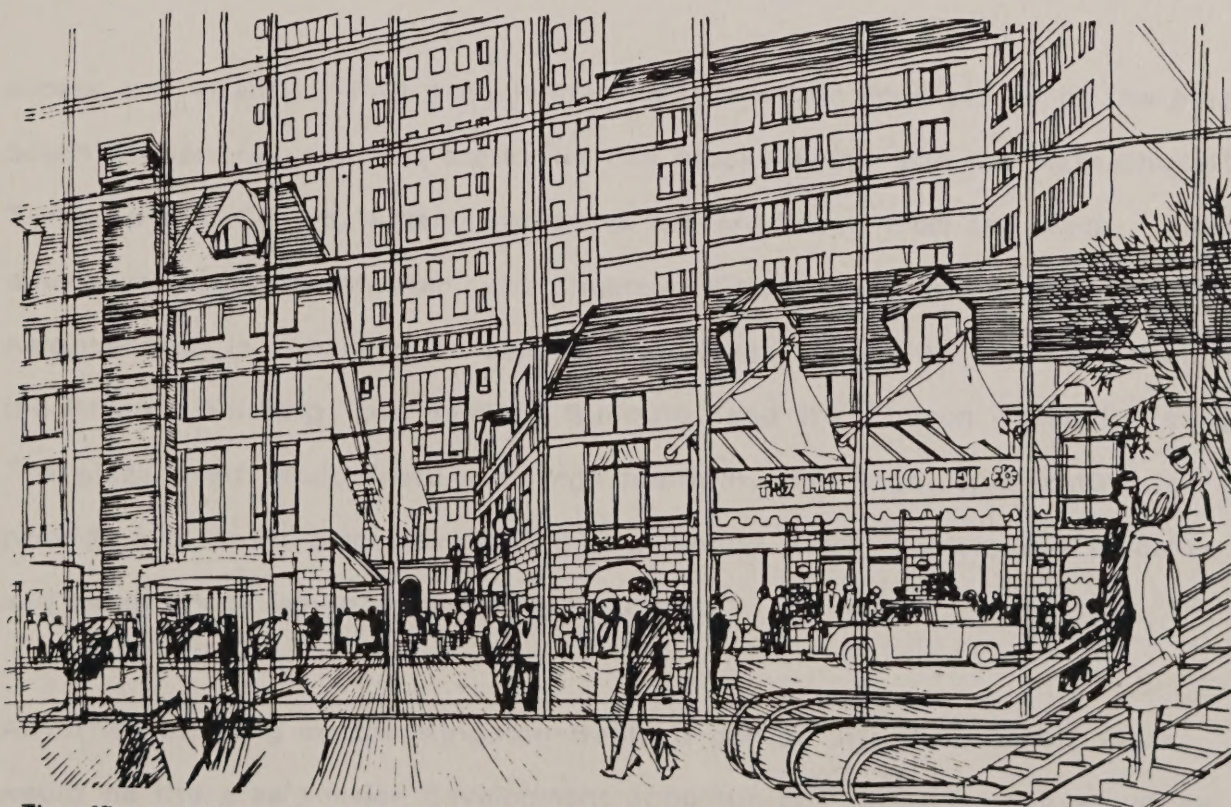


The ground level organization of the proposed buildings would create an exciting interplay of interior and exterior public spaces linking the Lincoln Block Galleria to a pedestrianway adjacent to the mixed use development leading to the main plaza. Fountains, landscaping, and active retailing will provide a perfect setting for the enjoyment of office workers, and visitors.





This view from Lincoln Street through to the proposed Kingston-Bedford office building reflects the level of excitement anticipated along the pedestrianways accessing the proposed mixed-use building (left) and the existing office buildings.



The office building proposed for the Kingston-Bedford site has tremendous potential to generate the level of urban street life that is typical of Boston. This view captures the experience of Columbia Plaza from a glazed lobby of the Kingston-Bedford development to the Lincoln Block with the mixed-use building and the existing Bedford Building framing the view.





In this plan, Columbia Street would remain open with restricted auto use and generous pedestrian amenities. The plaza would be created at the corner of Bedford Street and Columbia Street and would accommodate cafe's and other retailing activity.

access and vitality. Five transit stations are within four blocks of the plaza; South Station rail and bus station is two blocks away; and the Massachusetts Turnpike and Central Artery entrances are one block from the plaza. The downtown shopping, theater, and financial districts are all nearby, and the neighborhood is enhanced by several significant historic landmarks including the Proctor Building, the Bedford Building, and the Church Green Building. The plaza itself would feature a large fountain, plantings, and seating to provide a pleasant place for resting and having lunch. Restaurants, cafes, and retail shops would enhance plaza activity.

An office building on the Kingston-Bedford garage site in Columbia Plaza would be the area's major development opportunity. Sites nearby would be restricted in height and floor area. The stream of benefits would be directed

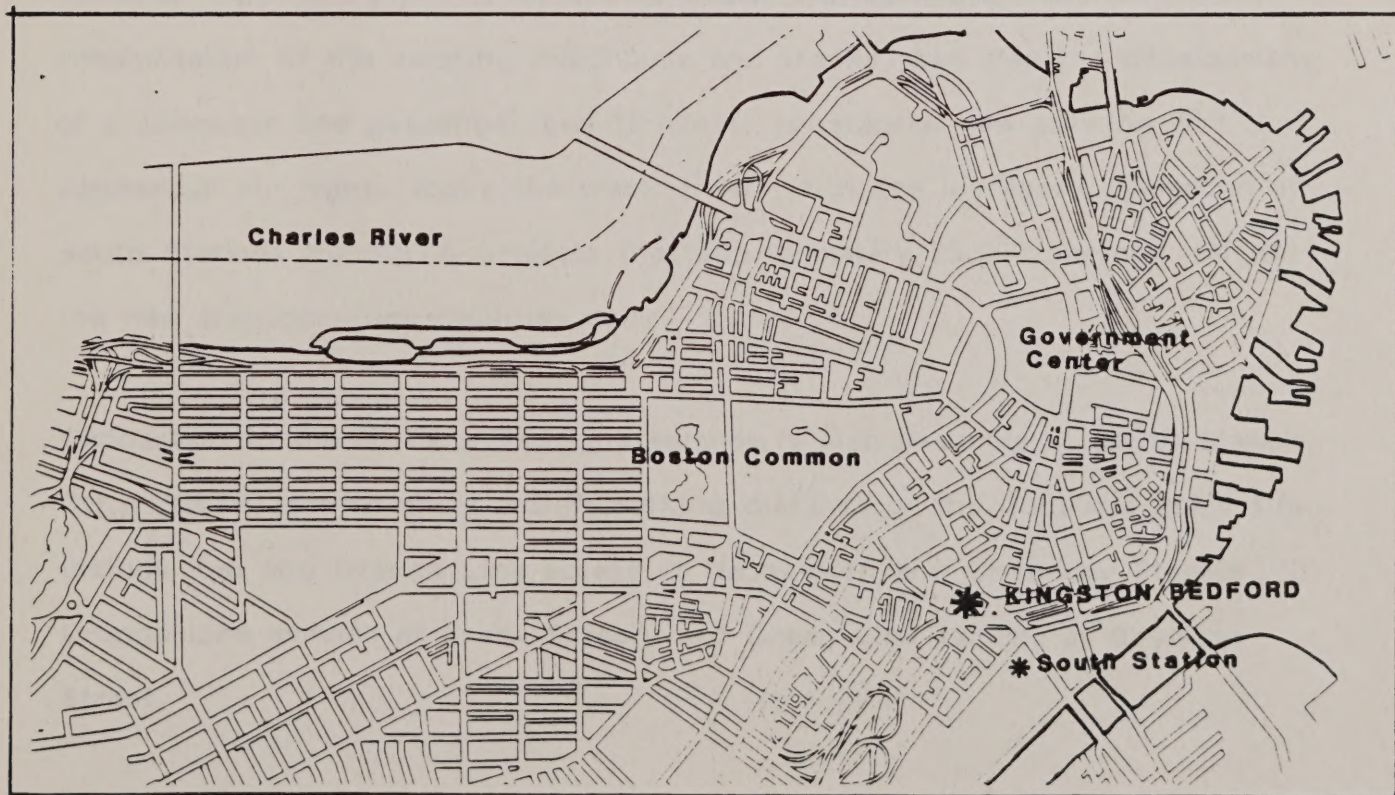


toward the Parcel 18 mixed-use project in Dudley and to the Roxbury Community. The development concept of parcel-to-parcel linkage would insure healthy revitalization both downtown and in the neighborhoods;

The Kingston-Bedford Garage site and the 140 Essex Street parcel are two publicly-owned land parcels which would be included as part of the Columbia Plaza development. Specific information relative to the location, access, and context and constraints of these sites are included to further express the opportunities made available through their development.

#### 1. Location/Access

Columbia Plaza would be a superior development opportunity due to its close proximity to Downtown Crossing, the city's principal shopping district; Church Green; Chinatown; Dewey Square; South Station and the historic Financial





District. It would enjoy superb access both to the regional highway system and to public transportation.

Two parcels which are part of Columbia Plaza and are city and BRA owned are the Kingston Bedford garage site and 140 Essex Street. The Kingston-Bedford Garage parcel is located on the block bounded by Kingston, Bedford, Columbus, and Essex Streets. 140 Essex Street is a parcel of land improved with an asphalt parking lot bounded by Columbia, Essex and Lincoln Streets, and abutting the historic Bedford Building.

#### A. Mass Transit

Significant links to various means of public transportation exist around these sites in Columbia Plaza, most prominent being the South Station commuter rail terminal. Current plans to redevelop South Station include not only the rehabilitation of the existing headhouse and tracks, but also the development of a commuter and passenger bus terminal, substantial new parking and commercial air rights above the track area. With the increased utilization of South Station, the MBTA projects that approximately 35,000 persons will use the new transportation facilities daily.

Connection to the MBTA's Red Line service is also available at South Station. Other MBTA service areas within walking distance of the Columbia Plaza site include Red and Orange Line access at Washington and Chauncey Streets, Orange Line service at Essex Street, and Green Line service at Boylston Street.



In addition, commuter ferry service and water taxi service to Logan Airport will be created in conjunction with the Rows and Fosters Wharves project currently under construction along Atlantic Avenue.

## B. Vehicular Access

The Kingston-Bedford garage and 140 Essex Street lie just north of the Central Artery. Essex Street borders their southern boundary and provides connections from Washington and Tremont Streets. Connection to Washington Street is via the Avenue deLafayette. In addition, traffic improvements to nearby Dewey Square are planned as part of the city's Transportation Policy recently announced by Mayor Flynn.



### BEDFORD CRESCENT / SOUTH STATION

TRAFFIC AND TRANSPORTATION  
PROPOSED

BOSTON REDEVELOPMENT AUTHORITY

### LEGEND

PARKING FACILITY  
SUBWAY ACCESS



TRAFFIC FLOW →



SCALE  
0 100 200 300



## 2. Project Context

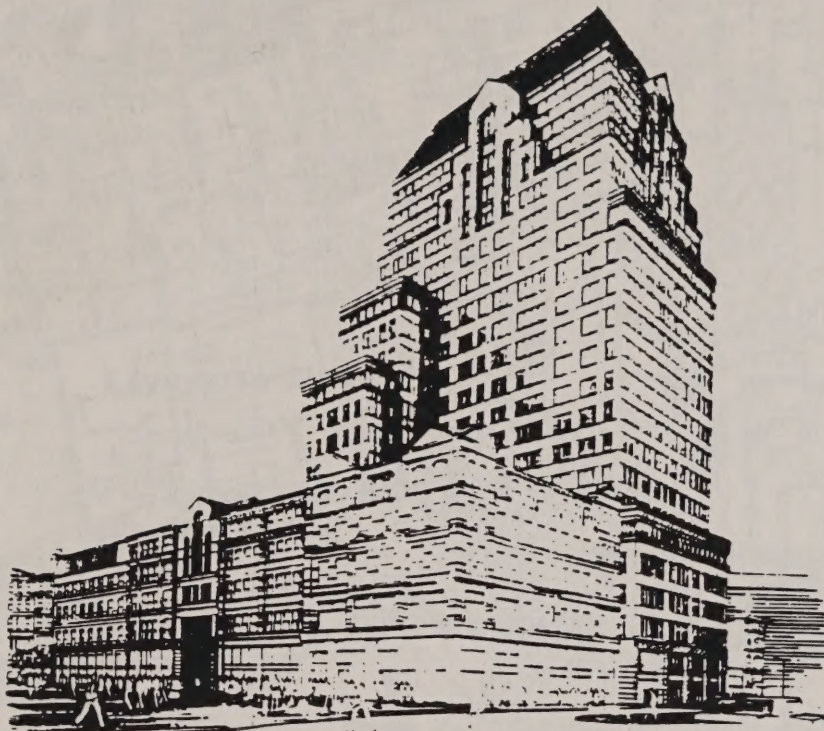
Columbia Plaza is in the midst of diverse and exciting uses. To the southwest is the Downtown area's major ethnic, residential neighborhood, Chinatown. To the north, northwest, and east are major office and retail developments. The site lies within the Essex Street corridor, an area which has been identified in the Downtown Plan as one toward which new growth should be directed. In addition, the site is adjacent to, and even abuts, buildings and projects of major historic significance to Boston.

### A. Development Context

A number of developments have been recently constructed or are under construction in the site area including the following:

- o One Financial Center lies between the Kingston-Bedford site and South Station. This project combines an office tower of over one million square feet with a six-story triangular entrance gallery. This major development project marked a continuation of and confidence in the pattern of Financial District office growth toward the Essex Street corridor and strongly established the development attractiveness of the south side of Summer Street.
- o Lafayette Place to the northwest of the Kingston Bedford site is a significant addition to the retail core centered around the Downtown Crossing area. A large mixed-used project, it includes nearly 200 retail shops, nine restaurants, 14 cafes, a 500-room hotel, and parking for over 1,000 cars. Lafayette Place fronts on Washington Street next to Jordan Marsh. Vehicular circulation is through the Avenue deLafayette which provides direct access to the project's garage and to the Central Artery.
- o 99 Summer Street is a small scale office/retail development whose floor plates were adapted to suit an irregularly shaped site. At ground level,





a continuous row of commercial structures will be created lining Summer Street from Church Green to Kingston Street. This project will provide active retail uses and will improve vacant sites on Kingston and Summer Streets with new five-story facades. Tenant occupancy of the project is expected in the Summer of 1986.

In addition, a major new development effort is now under way for the Fan Pier area across Fort Point Channel. New transportation infrastructure improvements will be provided to support this development such as a Third Harbor Tunnel and the Seaport Access Road. Also, development may take place on the Hayward Place and the 600 Washington Street block that may extend even further the retail core of Downtown Crossing.





## B. Historic Context

Columbia Plaza would be near districts of historical and architectural significance to Boston. Historically, these districts represent areas which once housed commercial industries important to the economy of 19th-century Boston,



such as the garment, textile and shoe industries. Architecturally, the Boston Landmarks Commission has identified these industries as special, having a visual cohesiveness due to similarities in building scale, style, or materials. In addition, each meets the criteria for listing in the National Register.

These districts include:

- o The Commercial Palace district, a warehousing district of Italian Renaissance, Ruskinian Gothic, Panel Brick and Neo-Grec style buildings of the late 19 century;
- o The Essex Kingston Textile district, a former textile center of late 19th century brick loft buildings;
- o The Church Green district once a focal point for organized trade activity.

A more indepth discussion of these districts and important architecturally historic buildings adjacent to these sites can be found in the Urban Design Appendix to this report.

### 3. Site Description/Development Constraints

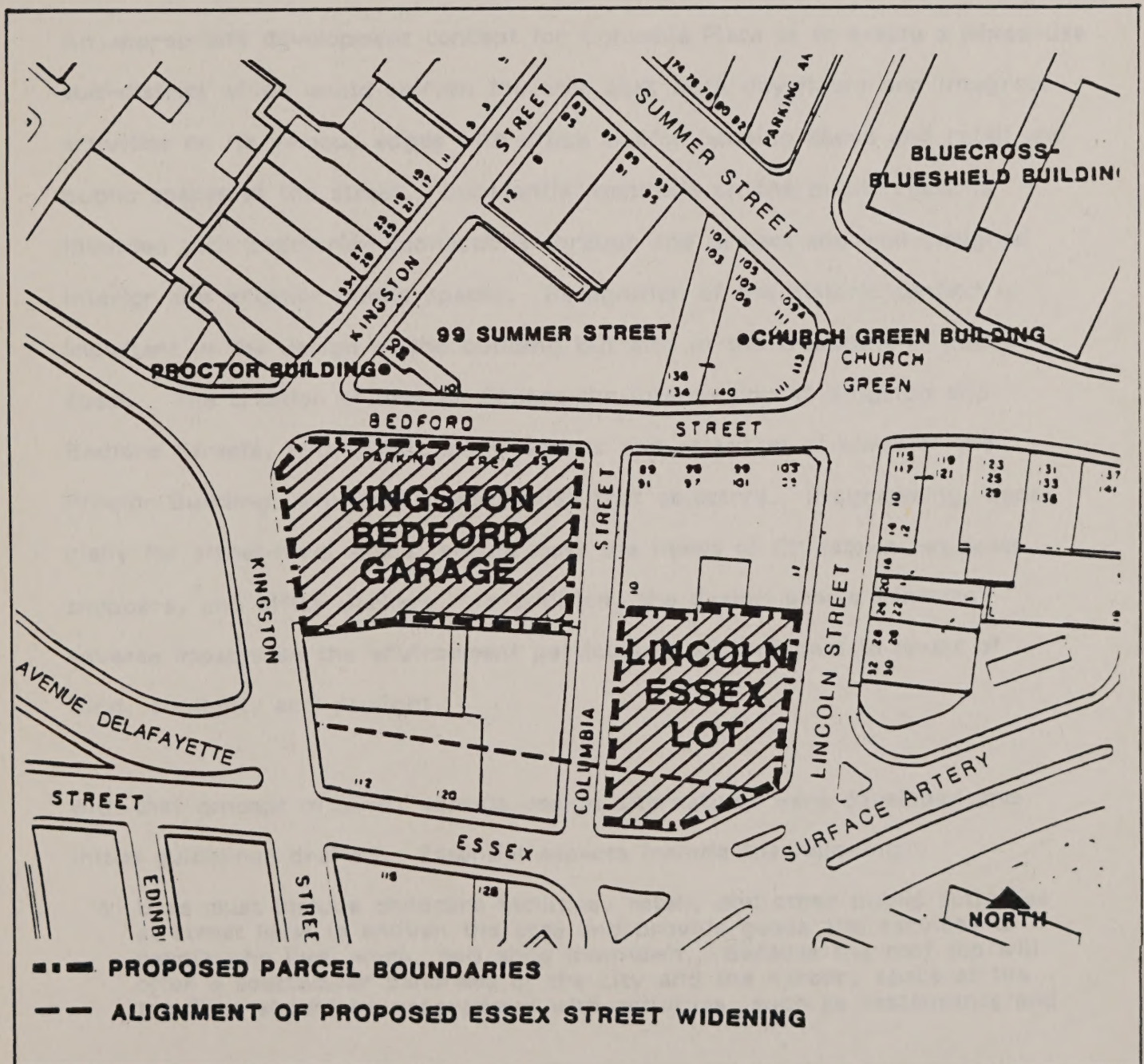
The Kingston-Bedford garage parcel is approximately 27,426± square feet and is currently occupied by a 750-car mechanical garage. The site and garage are owned by the City of Boston. The vacant parcel at 140 Essex Street is 20,757± square feet. The site is currently used as a 78-car surface parking lot and is also owned by the City of Boston.

### 4. Design Guidelines

The development concept for Columbia Plaza has been derived from both the immediate physical context of the site and from a broader context of growth



management downtown and citywide. Through development policies currently being drafted as part of the Downtown Plan, the city intends to limit new development in the heart of the Financial District and instead redirect growth to underutilized areas downtown and at sites such as Parcel 18. Within the downtown, the city is designating only a few areas, including the vicinity of Bedford Crescent and South Station, as Economic Development Areas (EDA's).





Also as part of new growth management policies, the City seeks to redistribute the economic benefits of a healthy downtown development market to disadvantaged areas. This policy lies at the heart of the parcel-to-parcel linkage. It implies that the development concept for the downtown linkage site be attractive enough to prospective developers to support substantial neighborhood revitalization.

An appropriate development concept for Columbia Plaza is to create a mixed-use sub-district which would enliven the area past work day hours and integrate activities on its various edges with office and/or housing above and retail and public spaces at the street. Substantial emphasis on the public realm is intended with pedestrian connections through the project and well-designed interior and exterior public spaces. Recognition of the historic context is important in the design of the building but also in the treatment of public space. The creation of Proctor Square the intersection of Kingston and Bedford Streets, with public improvements and retention of views of the Proctor Building, will help to accomplish that objective. Programming, especially for street-level space, should meet the needs of Chinatown residents, shoppers, and office workers. In addition, the design should minimize adverse impacts on the environment particularly with respect to levels of wind, sunlight, and daylight.

With that concept in mind, various design alternatives were developed and initial guidelines drafted. Essential aspects include the following:

- o Uses must include childcare facilities, retail, and other public activities at street level to enliven the area and provide goods and services to people who live, work, and shop downtown. Because the roof top will offer a spectacular panorama of the city and the harbor, space at the top floor should be programmed with activities, such as restaurants and



cultural facilities, accessible to the public. Subsurface public parking is required to replace the spaces which currently exist on the site.

- o Building massing shall reflect the proportions and dimensions of the historic and characteristic buildings in the surrounding Washington and Essex Street areas. Massing shall respond to the pattern of streets and blocks, and at a finer scale, to the pattern of alleys and pedestrian ways. Setbacks and accentuated cornices shall be provided at upper floors to relate to and reinforce heights of existing buildings which contribute to the character and scale of the district.
  - 1. Articulated streetwalls are to be provided by the project at the streetlines to a height of 78 feet, so as to complete and define the urban space of the streets.
  - 2. Setbacks from the block frontage on Kingston, Bedford, Lincoln, and Essex Streets shall be at least 25 feet for buildings higher than 78 feet.
  - 3. Additional setbacks are required that relate to nearby buildings (e.g., 125, 155, 275 feet), help further articulate the building facades, and break-up the overall mass of the project.
  - 4. A streetwall setback of 25 feet from the Kingston-Bedford corner is required to preserve the view of the Proctor Building from Kingston Street.
  - 5. Organization of building massing shall reinforce a sense of orientation to the neighborhood and existing city spatial pattern.
  - 6. Tall elements shall relate to and strengthen the city skyline.
- o Materials and architectural details must enhance the historic character of the surrounding Washington and Essex Street areas. Light colored natural stone exterior materials are required. Details of fenestration, entries, rooftops, cornice lines, and other architectural features shall provide a sense of human scale and continuity with Boston's architectural heritage.
  - 1. There shall be a first-floor cornice line, typical of historic buildings in the Bedford Street area. This line should be accentuated in new development.
  - 2. The project shall express a tri-partite division of base, shaft and top.
  - 3. Flat rooftops should be avoided. Tops of new buildings should be shaped and articulated to reflect the scale and symbolic architectural profiles of Boston's older, more historic buildings.



4. Strong cornices at the top of the streetwall (78 foot height) are characteristic of the area, and their inclusion in the design of new buildings is encouraged.
5. Windows articulated as singular and individual openings in the exterior wall and surrounded with masonry, as opposed to ribbon-windows or curtain-walls, are typical in the area and this mode of expression is encouraged.
6. Clearly accentuated building entrances and well-detailed shop-fronts are required.

### Pedestrian Spaces

Significant improvement to the pedestrian environment around and through the two-block site is required. Improvements include the closing of public streets to vehicular traffic and major enhancement of the character of these public spaces, street and sidewalk upgrading at the periphery of the site, and public lobbies, arcades, and atria within the two parcels. Specific improvements that are required include:

1. Pedestrianization of Bedford Street between Lincoln and Kingston Streets with high-quality paving, lighting, street furniture, and graphics; glass coverings for this street based on existing architectural details are very desirable;
2. Special treatment of the Kingston-Bedford corner to enhance views of the landmark Proctor Building and to create a high quality public open space.
3. A central glass-covered space at the Bedford-Columbia corner providing connections between 99 Summer Street; and
4. Landscaping and glass covering of the remnant land at the Kingston-Essex corner.
5. Columbia Street must either be improved as a public pedestrian



way or a "new" Columbia Street must be reconstructed as a public pedestrian way which parallels the existing alignment. Old or "new" Columbia Street must complement and extend the 99 Summer Street through-block access. (See pedestrian and vehicular movement map.)

6. Major entrances to the development shall be provided to complement evolving circulation patterns in the area. Specifically the following entrances are required:

- corner of Kingston-Bedford Street
- mid-block on Kingston Street
- Essex Street
- Bedford Street
- corner of Essex and Lincoln Street

Entrance locations are indicated on the Pedestrian and Vehicular Movement Map.

7. All major entrances shall be connected with mid-block passageways as indicated on the map.

### Institutional Spaces

Ground floor space within the development would respond in a programmatic nature to the needs of the surrounding residential community, integrating the project within it. A specific requirement is the development of a childcare facility.

1. A childcare facility shall be provided at ground level in the sunniest location possible and in close proximity to the nearby Chinese community.
2. A management and operational plan must be provided which sets



forth the organizational entity which will oversee the establishment and subsequent operation of the center. Potential sources of funding, both public and private, to be committed toward the facility to ensure its viability should be identified.

3. An outdoor play area must be provided either on-site or in close proximity to the development for the use of the childcare facility.

### Cultural Spaces

1. Space in publicly accessible areas at ground level shall be designed and programmed for the use of performing in visual arts.

- o Below grade servicing is required with a service connection to be provided from the Kingston-Bedford site to 99 Summer Street where a knock-out panel has been provided in its basement for this purpose. Sub-surface parking elevations should be coordinated to enable centralized below grade servicing for this site and 99 Summer Street.
- o Service access from Essex Street is preferred. Access to sub-surface parking may be from Kingston Street or Essex Street.
- o The design must not create adverse wind impacts, and wind tunnel testing will be required to determine if the proposal conforms to pedestrian comfort criteria.
- o Additional shadows on existing and proposed public spaces, particularly in spring and fall months and those hours of the day that the areas are most heavily used.



## PARCEL 18



The development of Parcel 18 is envisioned as a dynamic mixed use urban center. This complex of office, retail and housing would be accommodated in a series of mid-rise and high-rise structures with ample parkland, numerous street amenities and a central focus of a cultural and performing arts center. The result would be the transformation of a vacant parcel of land into a community resource that can meet the needs of the adjacent neighborhoods and institutions.

This site is one of the few in Boston that has the physical and contextural features needed to enable the realization of development. The most striking of these features is the site location. It's proximity to the soon-to-be completed Southwest Transit Corridor will provide direct access for much of



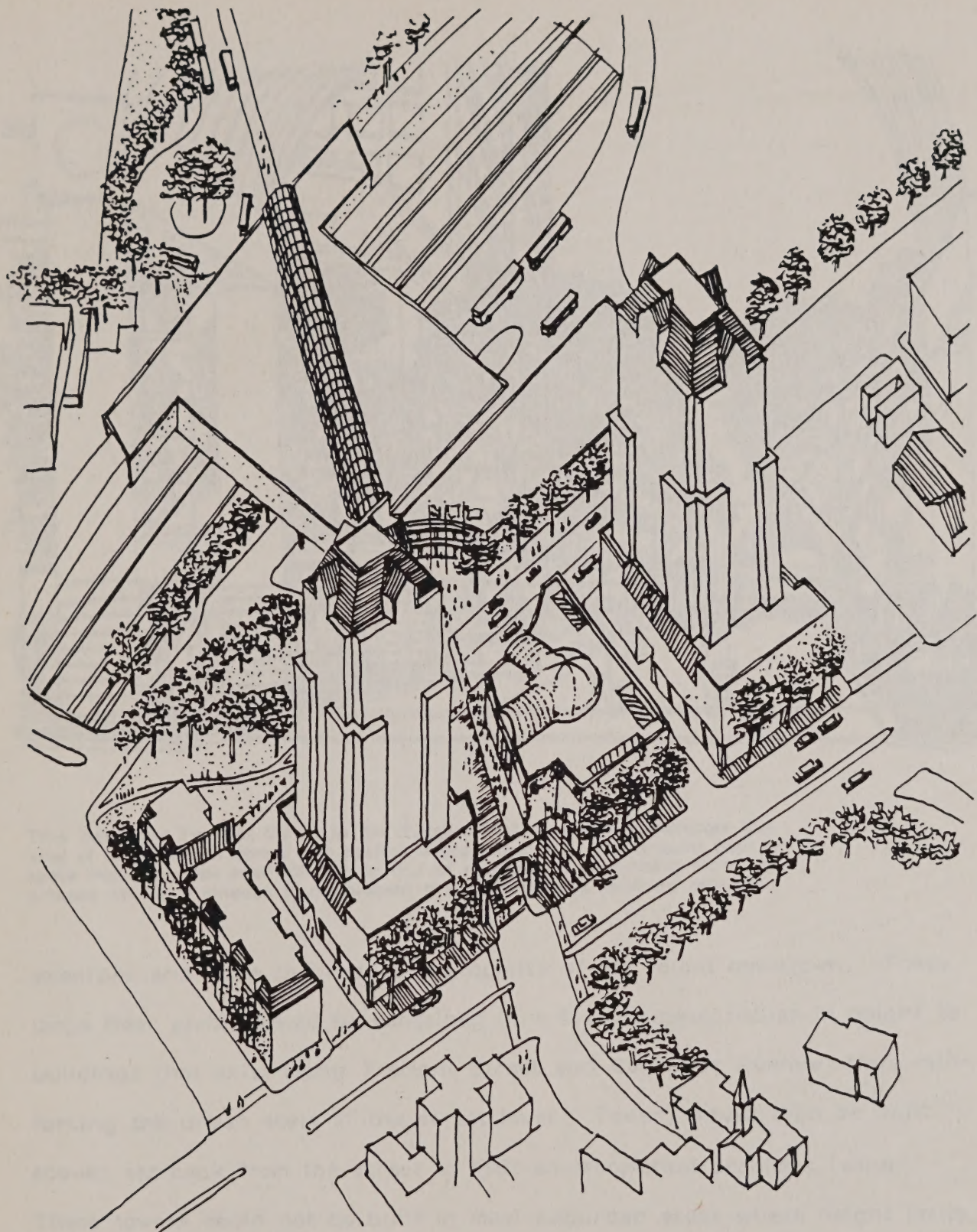
the Boston area population. It is also situated adjacent to Boston neighborhoods that are in need of the employment opportunities that the complex would provide primarily the professional jobs.

The other features are manifest in the parcel's size. The parcel could be subdivided yet still have sites large enough to allow for the development of structures with floor plates comparable with suburban standards. These 25,000 to 45,00 square feet sites would not only accommodate buildings with 20,000 to 40,000 sq. ft. floors but also allow for the kind of street level



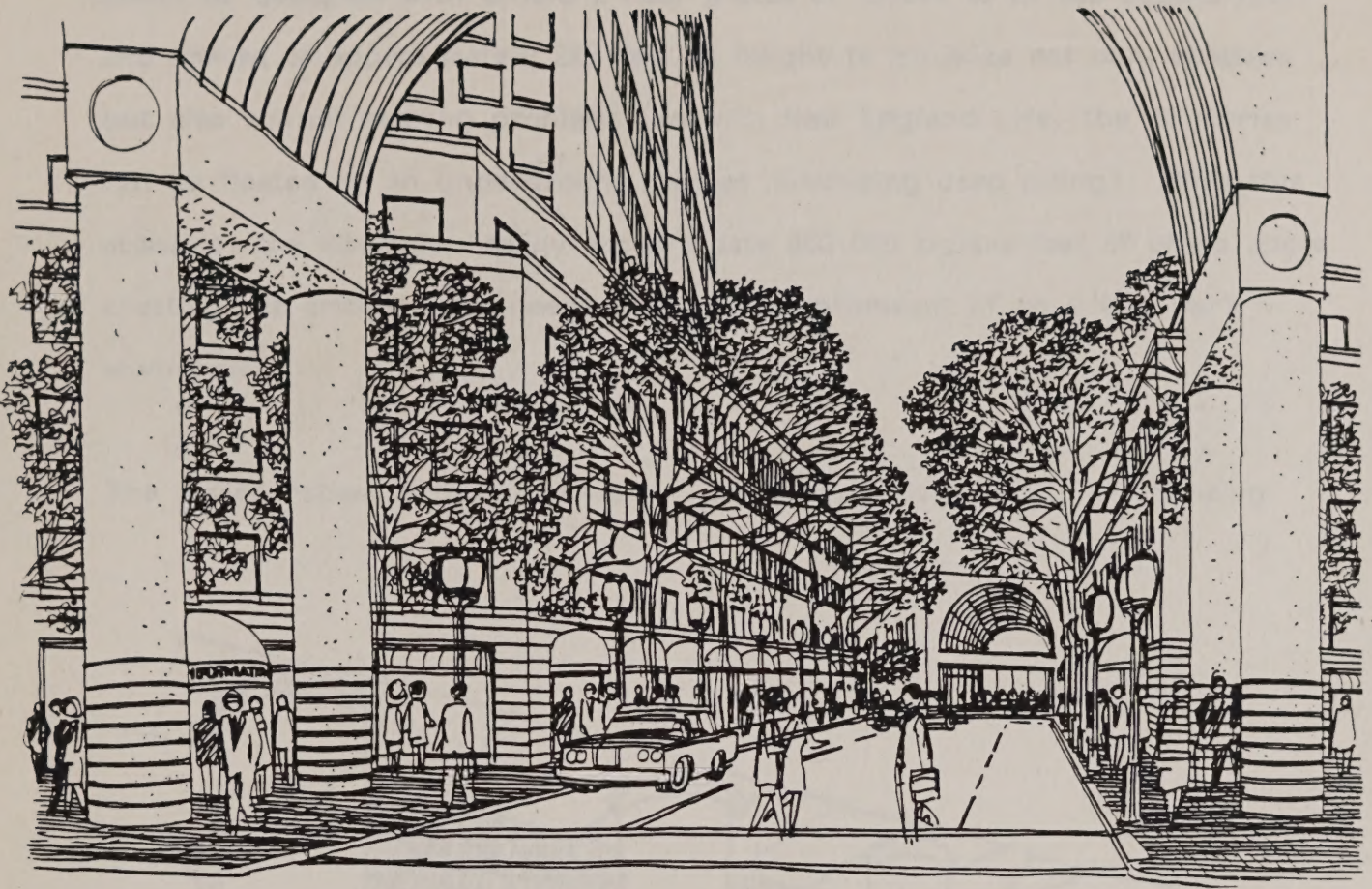
As the site plan indicates, the development of Parcel 18 creates the urban environment typical to Boston. The proximity of uses reinforces a active street atmosphere while the variation of open spaces provides a balance. This is all accomplished in a manner reflective of the South End.





The development of Parcel 18 would focus on the Ruggles Station concourse with the major functions related directly to this pedestrian concourse. The cultural center takes center stage as the major public element. The flanking office buildings would be separated to take advantage of views, while supporting ground floor retail activity. The low-rise housing (to the left) makes a good neighbor to the proposed residential development and a grand plaza as a foreground to the station entry.





This view from Tremont Street to the Ruggles Station entrance indicates the kind of active urban street this project would generate. The ground floor space would provide over 100,000 sq.ft./ of retailing in everything from grocery stores to cinemas to complement the neighborhood retailing centers.

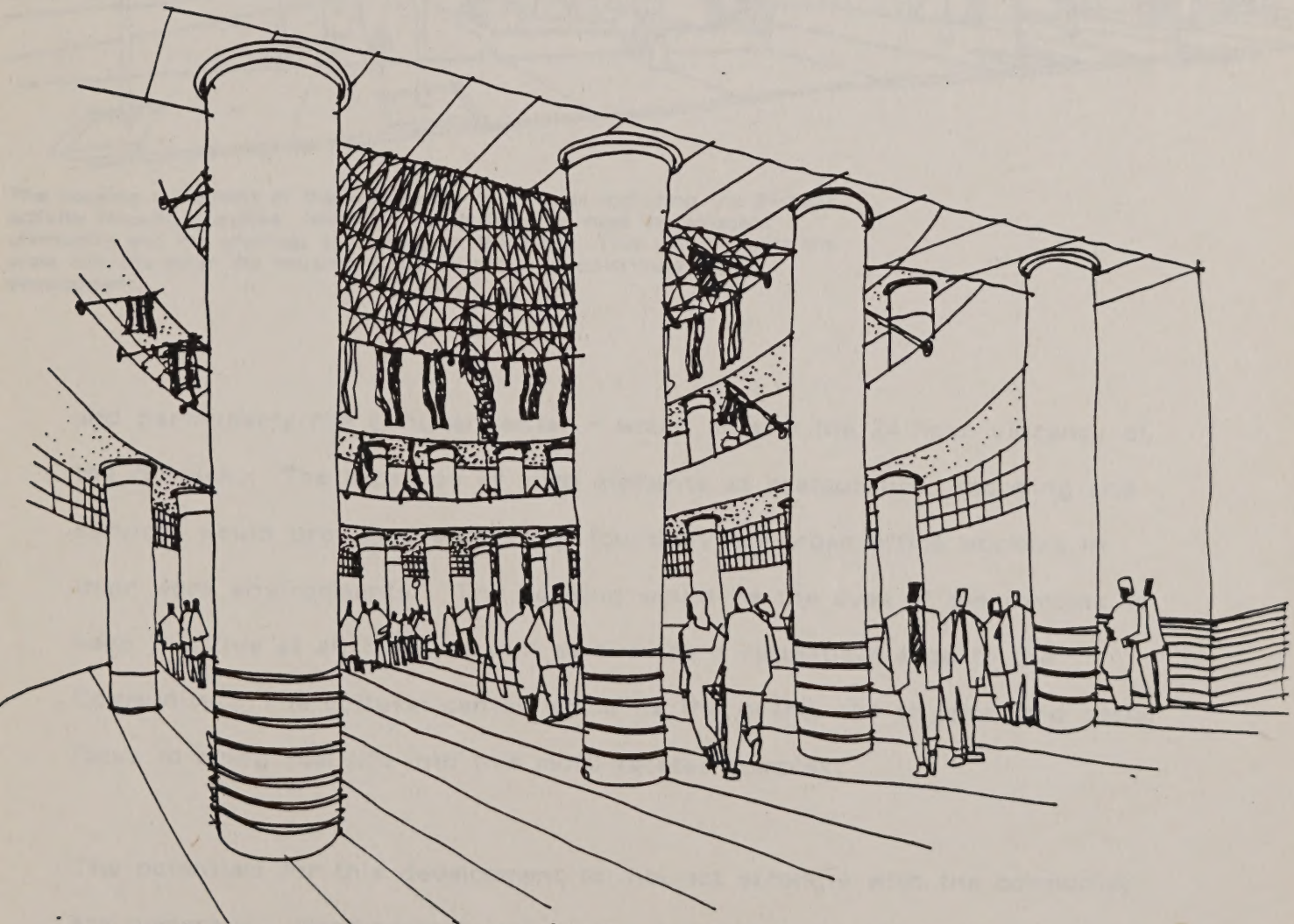
amenities and scale to produce the quality of life found downtown. These large floor plates would be contained in a 6 story base similar in height to buildings that exist along Tremont Street and Columbus Avenue, thus reinforcing the urban scale of the street level. Towers would then be built above; set back from the street to limit environmental problems (wind).

These towers could not be built in most suburban areas where height limits are in place (even Kendall Square) and they would also provide splendid view of downtown, the Harbor, the Back Bay and the Charles, even the parks and the picturesque neighborhoods of Brookline and Roxbury. These towers



would be designed with efficient floor plates of 15,000 to 20,000 square feet, and limited to approximately 225 feet in height to minimize not only shadows but also subsoil bearing problems (as with New England Life, the 25 stories can be floated on an underground garage minimizing deep piling). With this scenario, the site would easily accommodate 600,000 square feet of office space creating the critical mass needed for the establishment of an urban work environment.

The incorporation of the other uses - the ground floor retail, the housing



The cultural center could provide the community function and arts space this area has been in need of. Museum space, dance studios, performance halls, and function rooms could all be accommodated in this structure.





The housing component of the site meets many needs including the 24-hour activity housing provides, low-scale development to meet the adjacent community and the shortage of housing in the city. This view reflects the scale and character the housing would be required contribute to the development.

and particularly the cultural center - would ensure the 24 hour vibrancy of the complex. The inclusion of such elements as restaurants, shopping and services would provide features not found by suburban office workers in their work environments. The housing would be the eyes of the complex to keep it active at all times as well as provide a compatible edge to the Community. The cultural center would be the heart, the physical and social focus to bring real life into this multi-faceted complex.

The potentials for this development to interact strongly with the community are numerous. Northeastern University students and staff could also take



advantage of the retail components and the University itself might find opportunities to expand into some of the office space, possibly even upper floors for their faculty club. The termination of Columbus Avenue could be boldly expressed through building form and active, exciting pedestrian spaces would enhance the communities accessways to the Ruggles Station. Finally, the linear park system that parallels the transit corridor and must be accommodated in the site would bring a balance of architecture and urban landscape. The result would be a truly viable urban center in the Boston tradition.

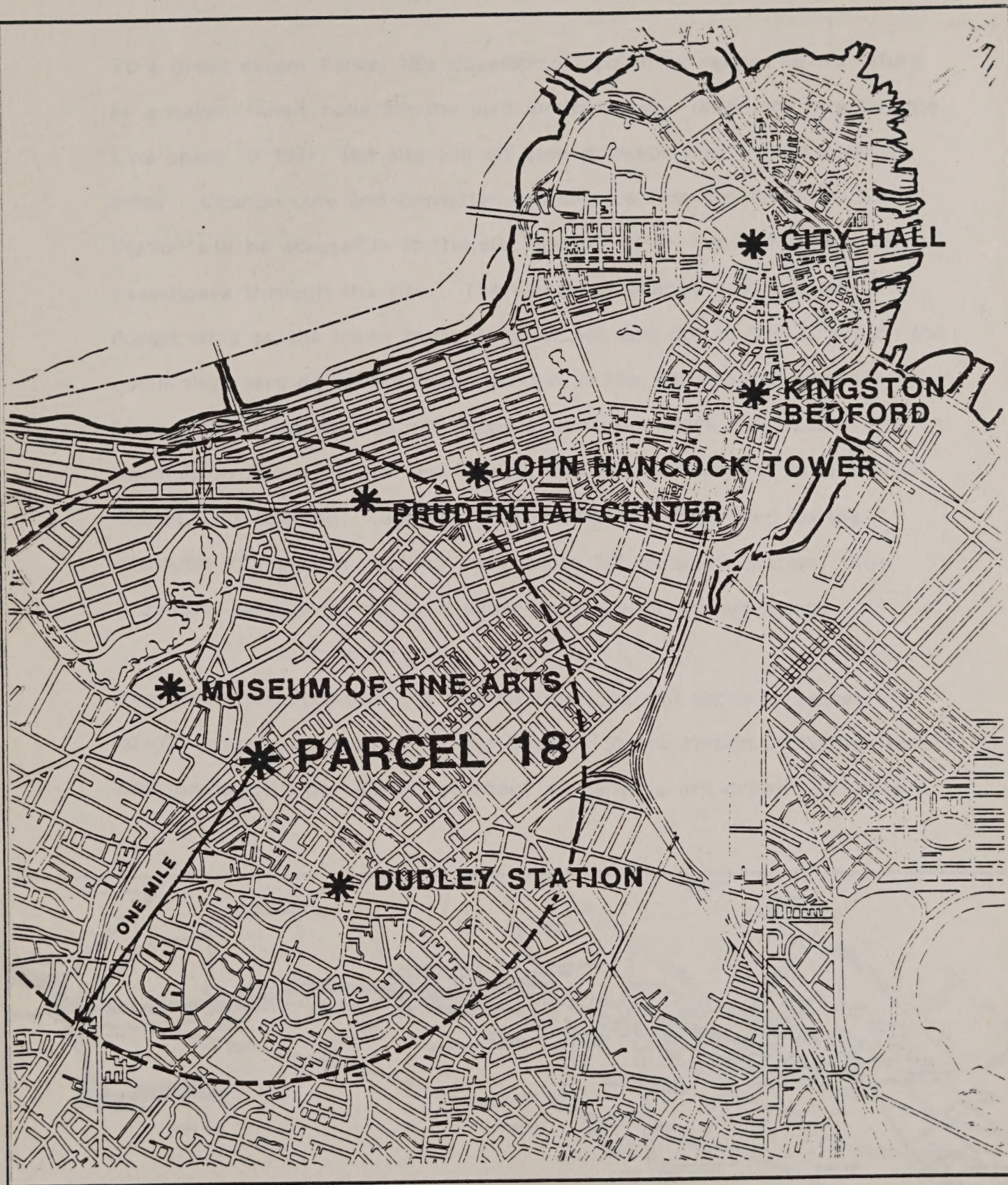
To better understand the potential for development of Parcel 18, the following section deals in some detail with background information concerning location, existing conditions, surrounding area and site access.

#### 1. Location/Access

Parcel 18 is located at the intersection of Melnea Cass Boulevard and Tremont Street, and is bounded on the south by Ruggles Street. The parcel was created by the planning for the Southwest Corridor Transit System, which produced a 5.6 acre (245,000 s.f.) parcel directly adjacent to the new Ruggles Street Station.

This parcel has unique locational and transportation attributes, including its key location in relation to the regional mass transit and highway network system, and its proximity to the Financial District which is only 2.2 miles away.



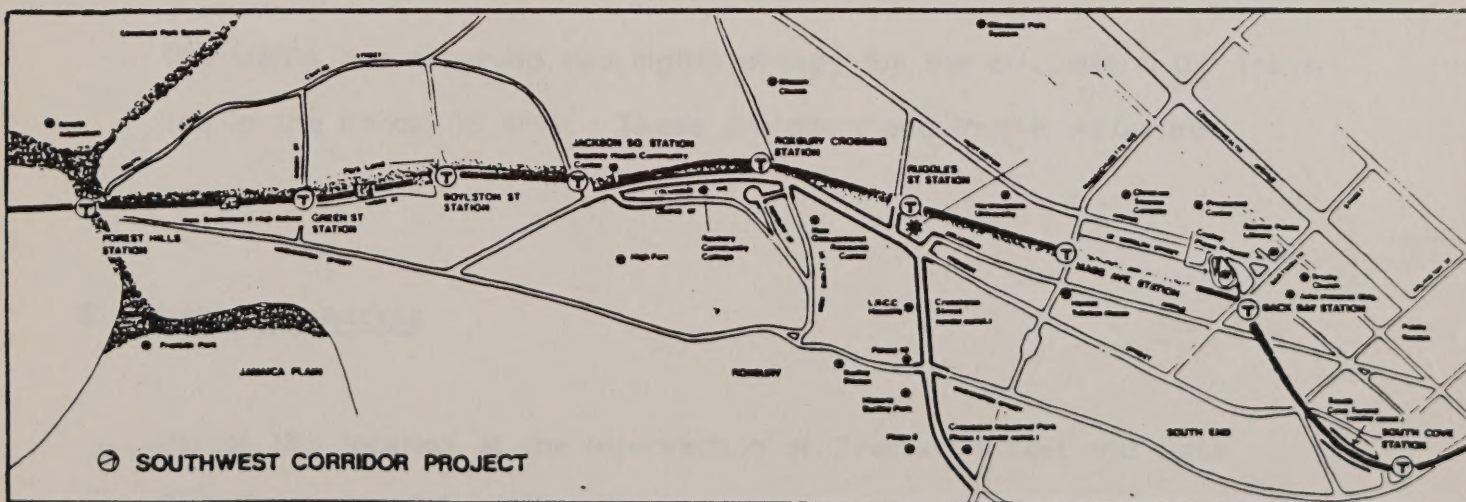




## A. Mass Transit

To a great extent Parcel 18's development potential relates to its future as a major transit node for the metropolitan area. When the new Orange Line opens in 1987, the site will sit atop dramatic new transit accessibility. Orange Line and commuter rail service from Route 128 to South Station will be accessible at the site and will draw substantial volumes of passengers through the site. The relocated Orange Line will run from Forest Hills on the south through downtown and out to Oak Grove on the north thus serving an enormous portion of the metropolitan area's workforce. It will connect to new stops at Amtrak's Back Bay Station and on Washington Street at the New England Medical Center and Tufts Medical School. In addition, Ruggles Street Station will be a stop on the commuter rail system running from Route 128 to South Station, thus providing service for an even wider spectrum of the workforce.

The MBTA predicts that the new Orange Line will serve in excess of 40,000 passengers a day with the Ruggles Street station attracting about 8000 passengers per day -- or about as many as are drawn to Dudley





Station today. Approximately 10 bus routes will deliver passengers who will continue on their way via the Orange Line or other bus routes. An undetermined percentage will be dropped off ("Kiss & Ride"), while others will drive in themselves and park in the underground garage. Others will walk or ride bicycles. In addition the Green Line will continue to run down Huntington Avenue, just a block from the Ruggles Street Station through the Northeastern University campus.

In the more distant future, plans call for a circumferential transit line that will encircle Boston Proper. Its exact alignment has not been determined except through the Parcel 18. It might start in the Columbia Point or the Fort Point Channel areas. It would proceed northwest through Parcel 18 and continue northward into the Kenmore/Boston University area and across the Charles River into Cambridge. The MBTA has recently reactivated study of this significant project. When the circumferential transit line is built, Parcel 18 will find itself an even more strategic node in the region's transit network, comparable in significance to North and South Stations. This is true regardless of what kind of transit is used whether busway, light rail vehicle, heavy rail, nonrail, or people mover.

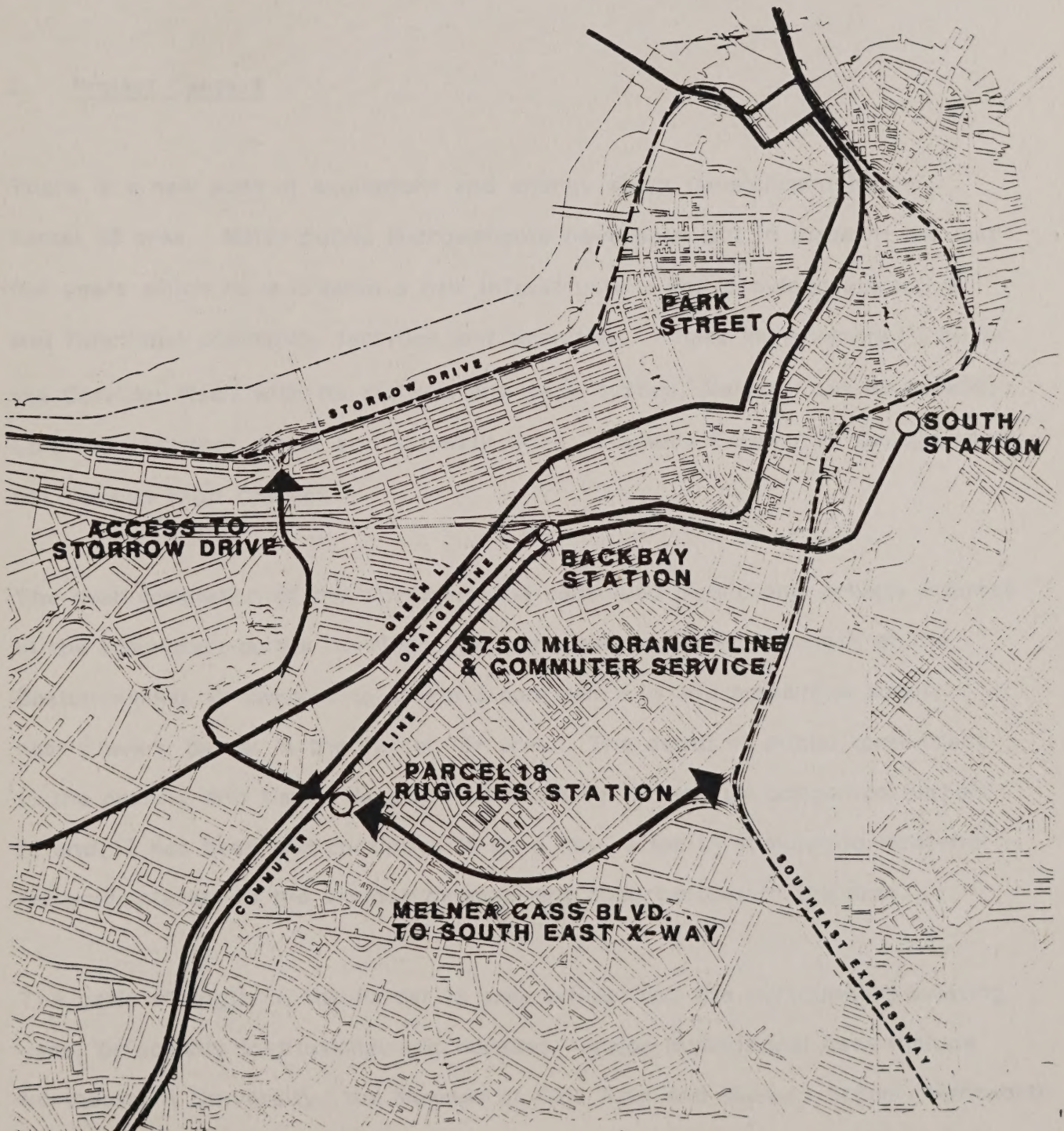
The MBTA has reserved two rights-of-way for the circumferential transit line in the Parcel 18 area. These are described in the Appendix..

#### B. Vehicular Access

Parcel 18's location at the intersection of Tremont Street and Cass Boulevard puts it in a fortuitous location in relation to the Back Bay,



the Financial District and the regional highway network. Three radial arteries, Tremont Street, Columbus and Huntington Avenues, connect Parcel 18 to the Back Bay and downtown districts. Cass Boulevard provides the best street link between the Parcel 18 area and the regional highway network. It ties into the Central Artery/ Southeast Expressway just south of downtown and brings this site within ten minutes of the





Financial District by car. The Copley Place exit of the Mass Turnpike on Huntington Avenue (eastbound) is only 3,300 feet away from Parcel 18.

A traffic consultant will be contracted to carry out a study of the impacts of Parcel 18+ development on the arterial system and to propose improvements or changes where necessary.

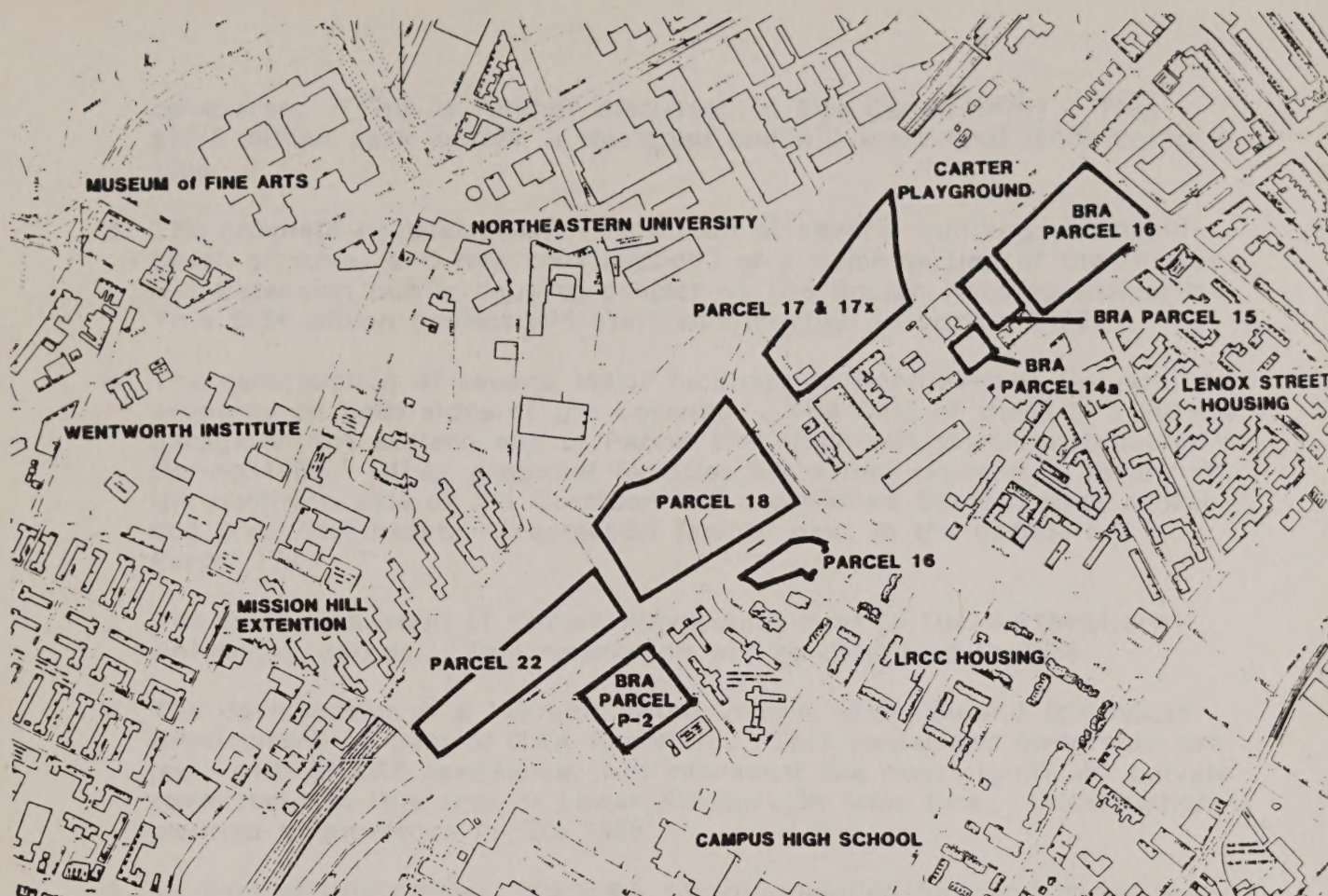
## 2. Project Context

There is a new aura of excitement and energy about development in the Parcel 18 area. Major public improvements have been put in place in the last few years which have created a new infrastructure and provided attractive and functional community facilities and amenities. These improvements include the Corridor itself with its stations and park system, Melnea Cass Boulevard, Columbus/Tremont street and sidewalk work, Roxbury Community College, and the Campus High complex.

The near completion of the Corridor, the continued public and private interest in the completion of the Corridor plan, and the continued strength of the Boston market all combine to create a confidence in and momentum about nearly every parcel in the Parcel 18+ area. The depth of public commitment to the orderly and timely development of Parcel 18 and its companion Parcels 22 and 17 has been and continues to be a key factor in stimulating new and renewed interest in the various development opportunities in the area.

The basic strength in the Parcel 18 area arises from the surrounding existing uses, principally institutional and housing. Major institutional uses include Northeastern University, the Museum of Fine Arts and Museum School, Wentworth





Institute, and the Madison Park High/Humphrey Resource Center campus.

Important existing housing developments include Whittier Street Housing, directly across Tremont Street from Parcel 18 and one of the better maintained public housing projects in the city, and next to it, Madison Park Homes, an attractive and well-kept housing development of the Lower Roxbury Development Corporation.

A number of public and private projects either proposed or under construction represent approximately \$200 million investment in the area. These include:

- o The development of a major new park system, eighty-five acres in total, to run the length of the Southwest Corridor. A major node of this system is located across Ruggles Street from Parcel 18. In addition, a parkland easement runs along Columbus Avenue extension through the site to a proposed park area between Ruggles Street and the station



concourse. (This is further discussed in Site Constraints). This \$12.8 million park system is designed and will start final landscaping in 1986.

- o The complete redevelopment (demolition of several buildings, rehabilitation of some, and new construction) of a major section of the Mission Hill Extension public housing project by the Boston Housing Authority. This \$25+ million project will start construction in Spring 1986.
- o The construction of several major facilities on Northeastern University property on both sides of the Corridor. The first of these is a 995-car garage on the eastern end of Parcel 17x which will start construction in Spring 1986. Other proposed facilities are a new university library on the northern side of the Corridor and a combined Eastern Mass school boy track/Northeastern recreation facility next to the garage on Parcel 17x.
- o The total renovation of Carter Playground next to the Northeastern University garage. This renovation will be completed in 1986.
- o The development of a 145 unit mixed-income, mid-rise and townhouse development on part of BRA Parcel 16. This rental and ownership project, with SHARP assistance, will represent the most significant private commitment to this area of Lower Roxbury in some time. Construction is planned to commence in late 1986.
- o As part of this project, the BRA recently applied for, and hopes to receive, in April, \$966,700 in State CDAG program funds for improvements to streets and sidewalks around the project.
- o The total rebuilding of Tremont Street and Columbus Avenue from Melnea Cass Boulevard through Lower Roxbury and the South End to downtown with Urban Systems funds. This project provided for new brick and concrete sidewalks, trees, special lighting, a narrowed and repaved Columbus Avenue. Work will be completed in 1986.
- o The construction of a new campus for Roxbury Community College just south of Dudley Street. This campus will accommodate 1,500 students; cost \$36 and open in Fall 1987.

Other area development opportunities which are being planned and which will probably undergo construction within the next two to five years include:

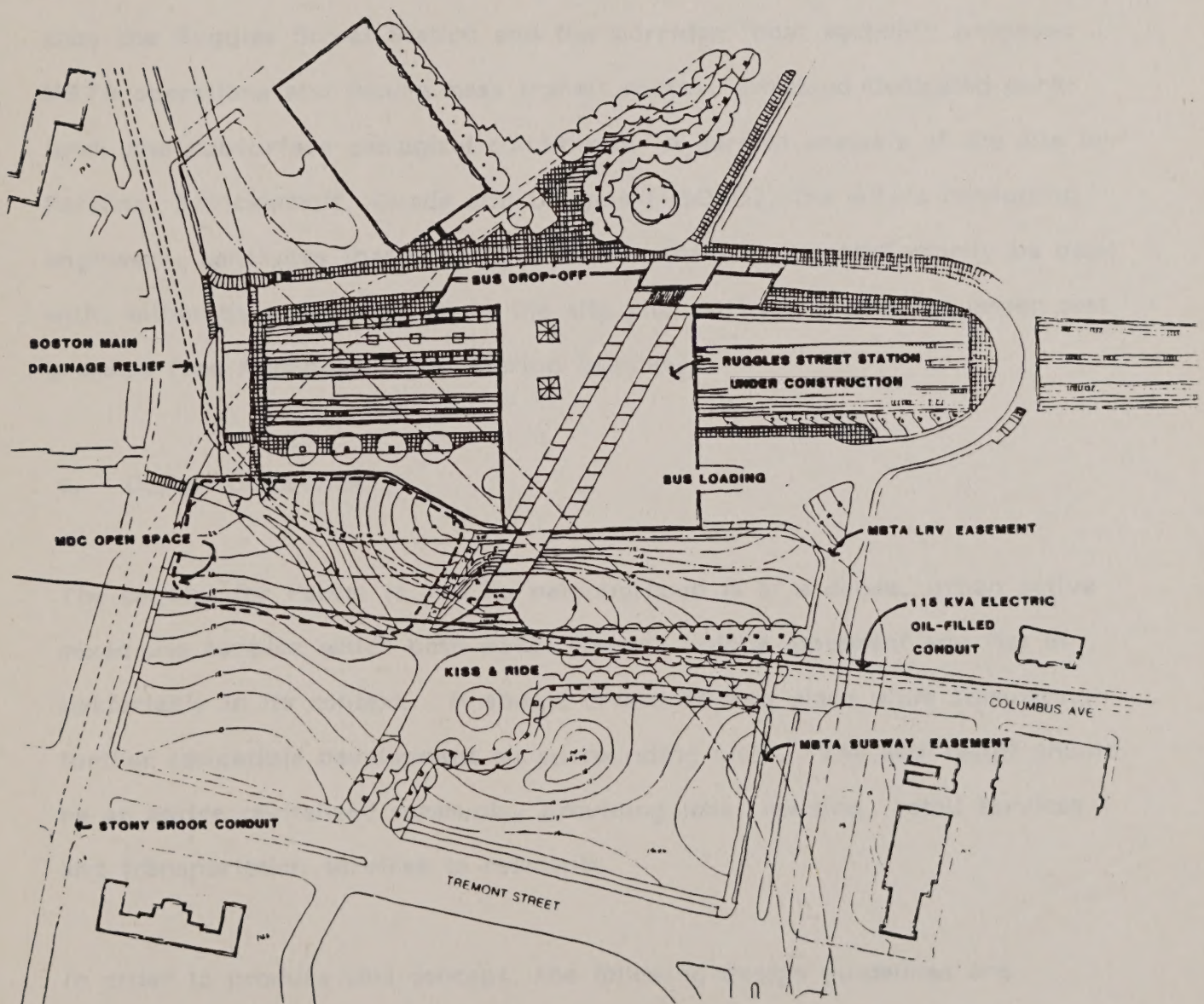
- o 150+ units of housing on Parcel 22, just across Ruggles Street from Parcel 18. The MBTA plans to issue a developer's kit for this strategic parcel in mid-1986 and to select a developer by the end of the year. The design guidelines call for a fairly dense, urban housing scheme of four floors along Tremont Street with a higher (6 floors) building on the Ruggles/Tremont Street corner. Retail space would be required on the first floor of this building.



- o Additional development in the Tremont/Columbus corridor on the balance of Parcel 16, Parcels 15, 14 and 14A. As proposed by the Parcel 16 development team, this could include at least two hundred units of housing, a supermarket and additional local retail, and structured parking.
- o Industrial/commercial development of Parcel 25 in which a number of investors have expressed interest.

### 3. Site Description, Condition and Development Constraints

Parcel 18 is a six acre site created by land takings for the Southwest Corridor. It is currently unpaved, used partly for parking for Northeastern





University (until July 1, 1986) and partly as a staging area for construction on the Ruggles Street Station.

The parcel is bounded by Tremont Street on the south, Ruggles Street on the west, the Corridor walls, busways and station on the north, and by Melnea Cass Boulevard on the east. It is 700 feet long by roughly 225 feet wide.

There are a number of physical restrictions to development on this site.

These include: existing public and private utility lines running through the site; the Ruggles Street Station and the Corridor "boat section"; proposed MBTA operations and future mass transit routes; proposed dedicated park-land; and subsurface geological conditions. A careful analysis of the site by Parsons, Brinckerhoff, Quade and Douglas (PBQ&D), the BRA's consulting engineers, concludes that each of these constraints can satisfactorily be dealt with, either by accommodation in the site plan or by a greater or lesser cost premium (see Appendix 1 Engineering Studies).

#### 4. Design Guidelines

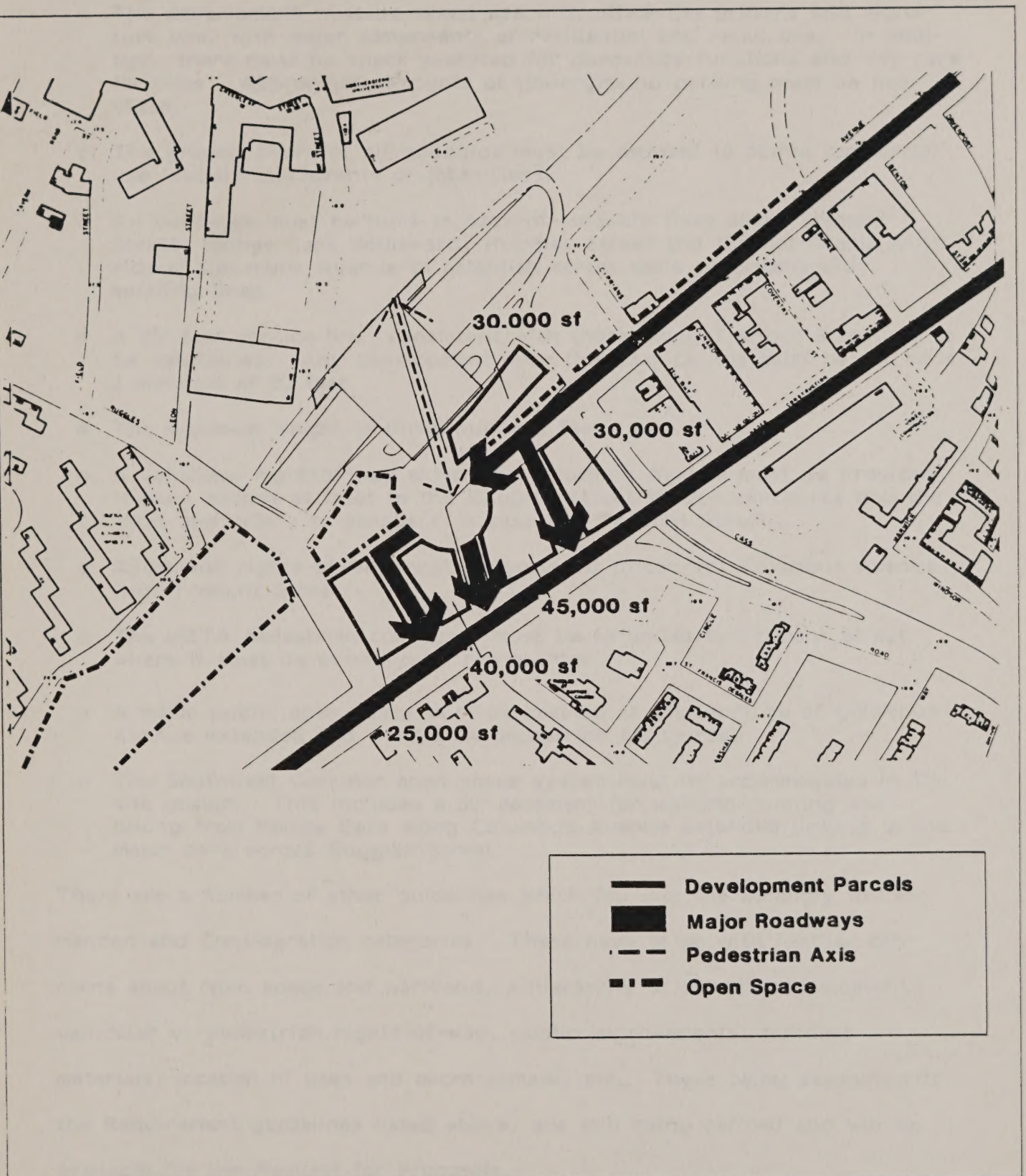
The concept for Parcel 18 and its neighborhood is of a dense, urban active mixed-use complex which both makes its own unique statement and fits in comfortably in its context. It should create its own place while stimulating further compatible development on surrounding sites. The end result should be an entire revitalized community providing jobs, housing, retail services and transportation services to residents.

In order to produce this concept, the following design guidelines are

Requirements:



## URBAN DESIGN CONCEPT & PARCELIZATION

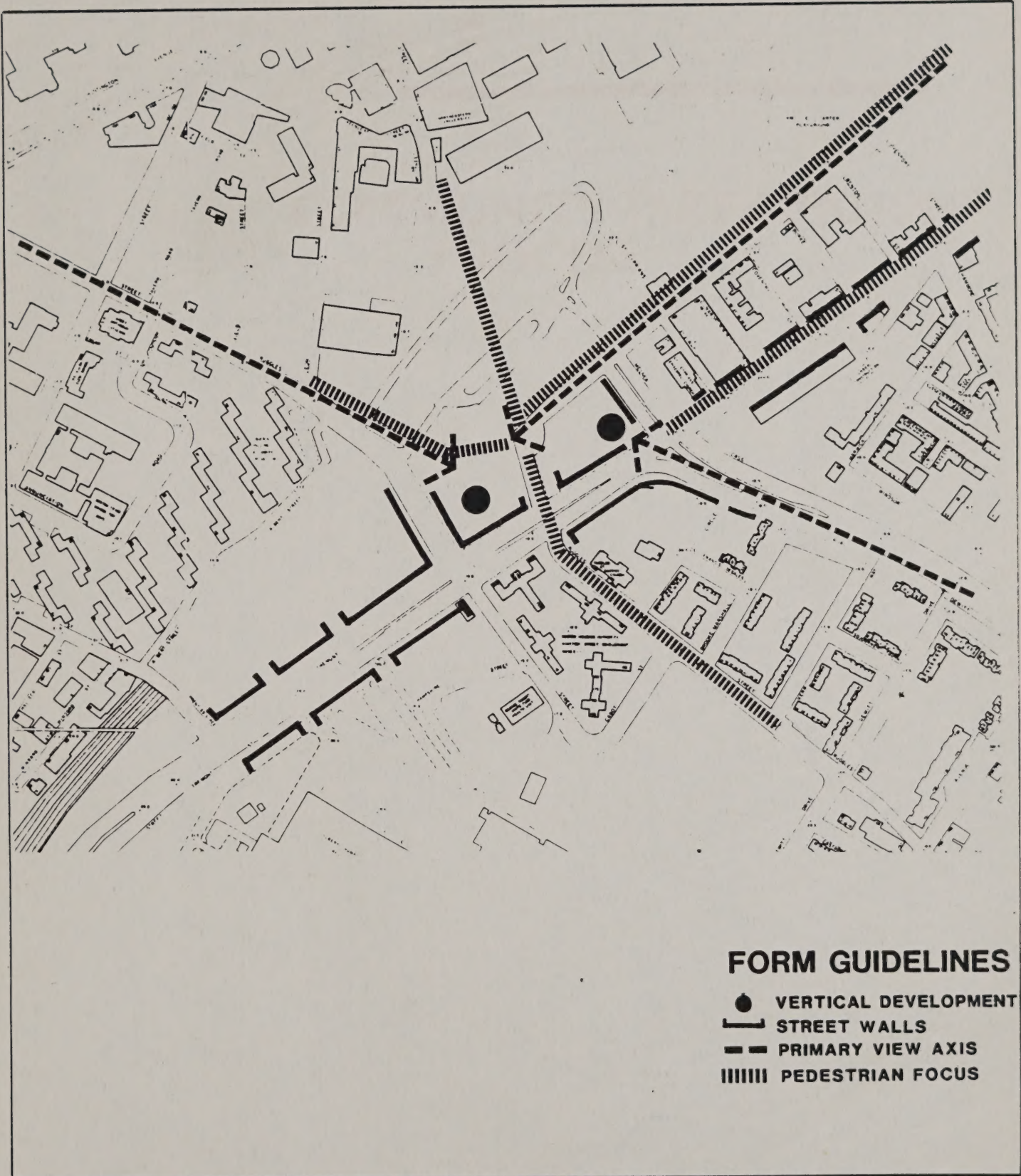




- o The parcel is to be subdivided to create individual sites of 25,000 to 40,000 square feet. Site division should reflect street and block layouts typical of the South End.
- o The development must be mixed-use with office the primary and signature use, with major components of residential and retail use. In addition, there must be space allocated for community functions and day care facilities. Appropriate amounts of underground parking must be provided.
- o The ground floors of all buildings must be devoted to active commercial use (retail, restaurant) or lobby(ies).
- o All buildings must be built to back-of-sidewalk lines along Tremont Street, Melnea Cass Boulevard, Ruggles Street and the north and south side of Columbus Avenue to establish street walls consistent with existing lines.
- o A 75' foot cornice line, consistent with those along Tremont Street, is to be maintained. Any development over this cornice line must be set back a minimum of 20 feet.
- o The maximum height is three hundred feet.
- o A vehicular right-of-way extending Columbus Avenue must be provided. It must extend at least to the Ruggles Street Station concourse and the "kiss and ride", to garage(s) access and Tremont Street.
- o Additional rights-of-way must be provided to connect Columbus Avenue with Tremont Street.
- o The MBTA pedestrian concourse must be extended to Tremont Street where it must be symbolically represented.
- o A major public open space must be created at the juncture of Columbus Avenue extended and the MBTA pedestrian concourse.
- o The Southwest Corridor open space system must be accommodated in the site design. This includes a 30' easement for walking/running and biking from Melnea Cass along Columbus Avenue extended linking to the major park across Ruggles Street.

There are a number of other guidelines which fall into the Strongly Recommended and Consideration categories. These have to do with further concerns about open space and parkland, a hierarchy of streets and sidewalks, vehicular v. pedestrian rights-of-way, public improvements, building materials, location of uses and micro-climate, etc. These being secondary to the Requirement guidelines listed above, are still being refined and will be available for the Request for Proposals.





## FORM GUIDELINES

- VERTICAL DEVELOPMENT
- STREET WALLS
- - - PRIMARY VIEW AXIS
- ||||| PEDESTRIAN FOCUS



# COMMUNITY PARTICIPATION PROCESS



## COMMUNITY PARTICIPATION IN PARCEL 18/KINGSTON-BEDFORD

Development of the parcel to parcel linkage concept, and the form that projects take on both the Parcel 18 and Kingston-Bedford sites could have an unprecedented impact on the areas adjacent to the development parcels. Important choices -- regarding urban design, and the form and distribution of benefits -- will have to be made in order for this program to proceed. It will also be necessary to plan for the potential impacts of development on surrounding residents and businesses. Due process provides an opportunity to be heard for every interest affected by a public action. The interests of the communities that would be most directly affected by this first parcel to parcel project are Roxbury and Chinatown. The Parcel 18+ Task Force and Chinatown Neighborhood Council are designated as the legitimate community advisory groups regarding Parcel 18 and Kingston-Bedford sites respectively. Both groups have been briefed on the project's status, and continue to meet regularly with representatives of the BRA.

Concurrent with the planning for the first parcel to parcel project, a process for dealing with the potential impacts of development on Roxbury and Chinatown would be initiated. This process would be an open community planning effort that would begin by identifying residents' and businesses' concerns about growth, and then developing the appropriate zoning measures to address those concerns. The Neighborhood Councils of Roxbury and Chinatown would be the communities' representatives to work with the city in this planning effort.



Community Review in the Parcel to Parcel Project: Parcel 18

The two documents An Agreement by the Governor of the Commonwealth and the Mayor of the City of Boston to Develop Cooperatively the Parcel 18+ Planning Area and the Memorandum of Agreement between state and city agencies and community groups provide the framework for participation by the Parcel 18+ Task Force, Community Development Corporations, and Minority Businesses in the development of Parcel 18. The documents also outline in a general fashion the means by which area residents would participate in the benefits created by the development. A primary objective of the parcel to parcel linkage program is to choose the development team best able to achieve community participation objectives.

The Parcel 18+ Task Force is composed of state agencies: Governor's Office of Economic Development, Executive Office of Transportation and Construction, Massachusetts Bay Transportation Authority and the Massachusetts Department of Public Works. It is also composed of the City of Boston; the Boston Redevelopment Authority; Northeastern University; and the following community groups: the Community Development Corporation of Boston, Lower Roxbury Development Corporation, Greater Roxbury Development Corporation, Roxbury Action Program, Mission Hill Extension, Whittier Street Tenant Policy Council and United Neighbors of Lower Roxbury. The Task Force has been operating in the community for more than ten years and has played a major role advising the MBTA and the BRA on Parcel 18 development issues.

The Task Force's primary advisory functions would be to review all pre-development issues, such as the impact of the development on the area's residents and businesses, and to make recommendations to the BRA on the



community's behalf. The Task Force would review and advise the BRA on formulating development policy for all aspects of development including on-site children's facilities, employment training, and minority business enterprise participation. Once developers submit proposals, the Task Force would review submissions and make recommendations to the BRA in areas such as program use, design guidelines, minority business utilization, permanent employment, and the use of public revenues from the project.

#### Community Review in the Parcel to Parcel Project: Kingston-Bedford

The Kingston-Bedford parcels are located on the edges of Boston's expanding financial and retail districts as well as Chinatown and the Theater District. The Chinese community has been engaged in the development dialogue along the Essex Street corridor and lower Washington Street making clear its needs for new housing, expanded job opportunities, and protections for existing small business.

The Chinese community would be significantly affected by development on the Kingston-Bedford site, both in terms of the physical project itself and the direct opportunity to participate in its economic benefits. The newly created Chinatown Neighborhood Council will represent Chinatown's interests in the planning, design and development of the Kingston-Bedford parcels as well as the stream of public benefits that best meet Chinatown's goals for community stability and growth. This committee includes representation from the Chinese American Civic Association, Chinese Consolidated Benevolent Association, Chinese Economic Development Council, Chinese Golden Age



Center, Quincy Community School Council and its Acorn Day Care Center, Chinese Housing and Development Task Force, Chinese Merchants Association, South Cove YMCA and YES Program.

In addition to the Chinatown Neighborhood Council, the BRA will hear comments from area merchants, business, cultural, and institutional interests.

### The Community Review Process

Community review of the development projects would ensure that the projects, as conceived and developed, meet the public objectives expressed by city and state governments and by organizations and individuals residing in the areas of impact. Review would occur throughout the competition process to give residents the opportunity to influence what is asked of developers, what is proposed by developers, and what is ultimately accepted as a final project.

There are five principal areas where formal community review would be sought. Those areas are: the draft Request for Qualifications (RFQ); the draft Qualifications Submissions; the Request for Proposals (RFP); the RFP submissions review process to determine the tentative designation of developers; and the environmental review process.

The RFQ is intended to pre-qualify a minority partner in addition to outlining the overall development plan. The Chinatown Neighborhood Council and the Parcel 18+ Task Force would review the draft RFQ prior to its issuance in order to ensure that community objectives are met. The RFQ would set out



clear statements of objectives in the composition of the teams, requirements for submitting evidence that the teams meet the objectives, and evaluation criteria.

The Parcel 18 Task Force and the Chinese Neighborhood Council would then review the submissions. It is expected that community review of RFQ submissions would at a minimum consider the following criteria:

- o The Minority Development Team's demonstration that it has drawn its members from the several minority communities of Boston.
- o The Team's capacity to undertake projects of the magnitude contemplated.
- o The extent to which competing Teams command the necessary financial resources to obtain an ownership position in the project.
- o The Team's demonstration of its members' successful record in employing minorities and MBE's in both the planning and construction of past projects.

While RFQ submissions are being prepared, submitted and reviewed, the BRA would prepare the RFP to include detailed statements of project objectives, submission requirements and review criteria in the areas of design guidelines, employment and Minority Business Enterprise, and other benefits directed to the community. The draft RFP would then be reviewed by community representatives for their comment.

Once proposals are sent to the BRA, the community would then review developer submissions according to conformity with the overall parcel to parcel linkage program objectives. Both the Task Force and the Neighborhood Council would review and make recommendations to the BRA before developer designation occurs.



### The MEPA Review Process

Another critical area in which the BRA would seek community input is the environmental review process. The city and state have agreed that both the Kingston-Bedford and Parcel 18 projects would be subject to the state's environmental review process, "MEPA." The projects' effects on wind, traffic, daylight and shadow, noise, construction and other environmental issues would receive review and comment by the community.

The Massachusetts Environmental Protection Agency (MEPA) review process provides ample opportunity for community review and comment. Community input would begin with a 20 day review period following the filing of an Environmental Notification Form (ENF). MEPA would schedule a Consultation Meeting with the community during this time to discuss the projects' environmental impacts and solicit comments. Another 30 day comment period would begin with the BRA's submission of a Draft Environmental Impact Report (DEIR), during which time any interested organization, agency, or individual may submit comments. The DEIR would serve as the forum for the screening of alternatives for further study and the scoping of impacts to be evaluated. The DEIR would be "scoped" by the Secretary of Environmental Affairs prior to the issuance of the RFQ, and would be submitted in full to the Secretary prior to the designation of the minority partners. The certified DEIR would be available to RFP respondents at least 6 weeks before RFP submissions are due.



It is anticipated that the BRA would bring a range of options for each site, rather than any preferred option, to the DEIR stage of the MEPA process. The Parcel 18 Task Force and the Chinatown Neighborhood Council would play principle roles in advising the Secretary in the DEIR process.

The designated development team would be responsible for conversion of the DEIR to a Final EIR (FEIR). The FEIR must be certified by the Secretary prior to the commencement of development. When the Final Environmental Impact Report is submitted, the community will once again have 30 days to review and comment.

#### Planning for Development Impacts in Roxbury and Chinatown

Chinatown and Roxbury residents and community groups have expressed concern that the proposed development of the Kingston-Bedford garage site and Parcel 18 may have destabilizing effects on their communities. Increased land values, condominium conversion, residential displacement, increased building height and density, and traffic and parking problems are the potential impacts of development that need to be addressed in order to ensure the viability of neighborhood and specialty commercial uses, and housing. There are also other general land use issues, not specifically related to this project, that each community wishes to address. In Roxbury, for example, residents desire to plan for the reuse of vacant land and buildings, to relocate noxious and dangerous industrial uses away from residential areas, and to preserve historic structures. In Chinatown, the protection of small businesses and housing is of special concern. In order to plan for potential development



impacts from the Kingston-Bedford and Parcel 18 projects, and to address other significant planning issues, Interim Planning Overlay Districts (IPOD) are proposed for Roxbury and Chinatown.

The Interim Planning Overlay District is a zoning tool, designed to identify in advance negative impacts that may be caused by development, and to address them through zoning. Community participation is the essence of the IPOD planning process. Neighborhood planning councils work directly with the BRA, as the city planning agency, to identify the goals and objectives of the planning effort -- such as promoting land uses that are compatible with the existing adjacent uses -- and to set a timetable for conducting and completing a planning study that serves as the basis for new zoning. The IPOD allows a reasonable amount of time to complete a comprehensive planning study, while protecting the area under review from development that would undermine the goals of the planning and rezoning process.

The IPOD, written as an amendment to the Zoning Code, includes the following sections:

- o Physical Boundaries: This section gives exact boundaries for the planning area.
- o Time Period: This section establishes the period in which the IPOD is in effect. At the end of the time period, the Interim Planning process expires and, either the new zoning developed during the planning process is implemented, the original, pre-IPOD zoning districts are put back in force, or an extension is requested to complete the new zoning.
- o Characteristics of the District that Make the Current Zoning Inappropriate: This is an explanation of why the current zoning may be inadequate or inappropriate. For instance, current zoning may allow uses adjacent to residential sites that create conflicts; height restrictions in addition to floor area ratio restrictions may be required to control negative development impacts.



- o Goals and Objectives: This section provides a list of the objectives to be achieved in developing new zoning for the planning area. Included may be goals to mitigate any of the negative development impacts mentioned above.
- o Interim Controls: For two years, the Interim Controls outlined in this section regulate development in the IPOD. Allowed or exempt uses, forbidden uses, and those uses which require an Interim Planning Permit are specified.
- o Timetable: A timetable is specified for performing planning studies and drafting the new zoning districts. Tasks in the timetable include: mapping existing land uses; establishing design, planning, and environmental goals; and defining the new zoning. At the end of the two years, any proposed new zoning is recommended to the Zoning Commission for adoption.

Projects that are proposed during the IPOD period, unless otherwise exempt, must receive an Interim Planning Permit from the Board of Appeal before the Inspectional Services Department (ISD) can issue any permit necessary to begin construction. The ISD would forward all projects requiring IPOD permits to the BRA and the Zoning Board of Appeal, to await their review and determination that the project meets with the goals and objectives of the IPOD.

After community review of the project, the BRA has 90 days to report to the Board of Appeal whether or not the proposed action is consistent with the planning goals established in the IPOD, the comprehensive planning process, and with the contemplated land uses. The Board of Appeal would then hold a public hearing on the proposal. In order to issue an Interim Planning Permit, the Board must find that the proposed action is consistent with the land use objectives of the Interim Overlay District, and that the proposed changes would not adversely affect the comprehensive planning process.



## COMPETITION PROCESS



## COMPETITION PROCESS

As set forth above, a major goal of the parcel to parcel linkage program is to provide opportunities for Black, Chinese, Hispanic and other minorities to become principals in the development of these linked properties. This goal is particularly directed to minority developers who may have done business primarily in local, neighborhood settings and on smaller projects. Linkage projects would afford these developers the opportunity, first, to have substantial equity participation in major projects, and second, to develop their capacity to conduct major commercial developments, both in a neighborhood and a downtown setting.

To assure that this goal is accomplished in the first parcel to parcel linkage undertaking, the competitive process for selecting the developer of the Parcel 18 and Kingston-Bedford Projects would be specifically designed to provide opportunities to minority enterprises. The process would involve two stages: In the first stage a qualified minority development team would be selected following the submission of letters of interest and team qualifications. This minority development team would be selected based on the depth and breadth of its community base and on its capacity to assume a major role in the ownership and direction of the project. It would be assured a minimum of 25 percent participation in project ownership and control. The second phase of the competition would select a full development team after the submission of complete development proposals and proposed partnership structures that set out the roles of the minority development partners and other development team members.



## Phase I: The Qualification Process

The purpose of a qualification process would be to solicit interest by highly qualified Minority Development partners from the Boston community, who have the experience and financial strength to take at least a 25 percent share in ownership, financial participation, and control in the proposed Parcel 18 and Kingston-Bedford projects. Accordingly, the solicitation would set out clear statements of the objectives in the composition of the teams, the requirements for submitting evidence that the teams meet the objectives, and the evaluation criteria.

The process would call for the submission of letters of interest from each prospective minority team by July 14, 1986. The BRA would review these submissions and prepare an analysis of each. These would be reviewed with the community representatives for their comment and recommendations. The BRA would then recommend a preferred minority development team to the MBTA and the City of Boston. The BRA would reserve its right to reject all letters of interest and submissions of qualifications.

## Phase II: The Developer Selection Process

While RFQ submissions were being prepared, submitted, and reviewed, the BRA would prepare detailed statements of project objectives, submission requirements and review criteria in the areas of design guidelines, employment and Minority Business Enterprise, and benefits to be directed to the community. These would be reviewed with community representatives and then finalized.



Following selection of the minority development team, the BRA would initiate the Request for Proposals stage of the competition. This request would:

- o identify the selected minority development team and set out in detail the objectives of the competition, submission requirements and review criteria with respect to the participation of these partners.
- o contain detailed statements reflecting the final guidelines for the project, consistent with the Draft EIR submitted by the BRA and certified by the state.

Formal meetings with the interested developers would then be conducted to assure a complete understanding of the requirements. Final selection would be made after,

- o careful and extensive analysis of the proposals, together with any additional material requested;
- o review of the analysis with the community representatives for their comment and recommendation.
- o with respect to the Kingston-Bedford project, which is owned by the City of Boston, the staff would recommend a preferred developer and proposal to the BRA Board. If this recommendation is accepted, the BRA would in turn recommend this selection to the Real Property Department and Public Facilities Commission of the city, which would be asked to grant tentative designation to this developer.



- o with respect to Parcel 18, the staff would recommend the preferred developer to the BRA Board. If this recommendation is accepted, the BRA would designate the developer for any property owned by the BRA, and recommend its selection to the M.B.T.A. for property it owns. If accepted, each would grant tentative designation to the selected developer.

### Minority Development Partner Qualifications Submissions

#### 1. General

The following section sets out the proposed submission requirements and review criteria for the minority development team competition:

- a. Each submission shall be accompanied by a Letter of Interest listing the development team members (including a chief contact person), briefly summarizing the team's qualifications and past experience relevant to the proposed development, and indicating the team's willingness to participate in the preparation of full development proposals, if selected, and to proceed expeditiously with all aspects of the development if designated as the preferred minority development team.

The Letter of Interest should also describe the functional, corporate or other legal relationships among the members of the development team in carrying out the development.



- b. In addition to submitting their qualifications for consideration in the first stage of selection, teams may include comments, questions, or requests for clarification regarding any aspect of the projects, the selection process, etc.
- c. Ten copies of all materials should be submitted to:

Stephen Coyle, Director  
Boston Redevelopment Authority  
One City Hall Square  
Boston, MA 02201

Materials must be received by 5:00 P.M. July 14, 1986.

- d. Following initial review of the submissions, the Authority anticipates seeking additional or clarifying information from competing teams in order to allow full evaluation of each team.
- e. A certified check of \$5,000 drawn to the order of or assigned to the Boston Redevelopment Authority must be submitted along with the development team's qualifications materials. The Authority is under no obligation to earn interest. Those applicants that are not successful in the qualifying process will be refunded in full.
- f. During the solicitation process for Minority Development Partners, the Authority will also solicit interest and a statement of qualifications from Minority Business Enterprises who are interested in



taking part in the Kingston-Bedford and Parcel 18 projects. These submissions will be reviewed and qualified MBEs will be certified. These submissions will be used to formulate a clearinghouse list of development-related MBEs. This list would be distributed to potential bidders in the Kingston-Bedford and Parcel 18 competition; and would later be distributed to other developers in the city.

## 2. Minority Developer Qualifications

### a. Submission Requirements

Each team shall submit:

- (1) A statement on the composition of the development team. The statement should name the principals, indicating the minority group identity of each. The statement should also indicate which members of the team are located in or have done business in Boston.

The statement should set out the anticipated relationship of the members of the team. In particular, it should include the equity and decision-making responsibilities of each.

- (2) A statement of previous development experience showing all projects in which the principals of the proposed development entity have participated as general partners or equivalent. The statement should list all projects, showing their location,



size, ownership type and development cost. It should also describe the construction and permanent financing arrangements for each project, showing the nature and extent of the participation of financial and lending institutions and of the developer. In particular, the developer's current equity interest in each project should be indicated. Where applicable, the statement should indicate the architect, engineer and other consultants used on each project. With respect to all projects listed, the statement must disclose and explain:

- (a) Current financial default of more than 60 days duration
- (b) Mortgage assignment of workout arrangement
- (c) Foreclosure
- (d) Bankruptcy
- (e) Litigation relating to financing or construction of the project which is pending or which was adjusted with a finding of liability against the developer.
- (f) Real Estate Tax Delinquencies



- (3) A statement on the nature and extent of community participation in each project. In particular, the statement should indicate involvement by local Community Development Corporations, Neighborhood Advisory Committees and other forms of local involvement.
- (4) A Personal Financial Disclosure statement for each person who serves as a principal in the proposed project. This statement shall be substantially equivalent to FHA Form 2417.
- (5) A financial statement of the development entity prepared by a Certified Public Accountant. The statement should show assets, liabilities, and net worth of the development entity, and should include information on all General Partners or principal shareholders.
- (6) The statement should indicate the success of the development in employing minorities and Minority Business Enterprises in past projects. The latter information should indicate the success in terms of percentage of total development costs, or of operating and management budgets.

All financial information with respect to individual team members will be held confidential.



## Qualification Criteria

1. In order to be considered, the Minority Development Team must meet certain qualification thresholds:
  - a. The net worth of the development team and/or principals is at least \$1,000,000.
  - b. The team must demonstrate that it can meet the minimum start-up equity requirement of \$1,500,000.
  - c. All projects undertaken by team members must be current, not more than 60 days overdue; and all taxes due to the city must be current, or have appellate tax procedures in process.
  - c. No principal may be in bankruptcy.
  - d. In any litigation, no principal may have been found liable for financial irregularities relating to the project or for construction defects totalling more than 5 percent of the total development cost of the project.
2. Competing teams will be evaluated on the extent to which they meet the goals and objectives of the qualification process. The BRA will apply the following criteria in conducting its evaluation:



- a. The Minority Development Team must demonstrate that it has drawn its members from the several minority communities of Boston. The degree to which its members have their background in these communities and have carried out projects in these communities will be considered. The extent to which a number of minority groups and communities are represented will also be considered.
- b. The Team must demonstrate its capacity to undertake projects of the magnitude contemplated here, and through their participation in the projects to expand this capacity so that its members may in the future compete with non-minority developers on a national basis. In evaluating teams against this criteria, the BRA will consider the extent to which the team members have had experience with significant commercial or housing projects.
- c. The BRA will judge the extent to which competing Teams command the financial resources to obtain at least a 25 percent ownership position in the project. In making its assessment, the BRA will consider the amount of equity the Team can commit to the project, as well as the record of its members in sustaining a strong relationship with financial institutions on past projects.
- d. The Team must demonstrate its members' successful record in employing minorities and Minority Business Enterprises in both the planning and construction of past projects. The BRA will judge the extent to which team members have strived to provide employment opportunities for minorities. .



## Request For Proposals

A full and detailed statement of the project guidelines, submission requirements and review criteria for project proposals will be issued when the competition enters the Request For Proposals (RFP) Phase. In order to acquaint the public and all potential project proponents with the terms of the competition, the following section sets out the proposed subject areas requiring submission and the nature of the proposed review criteria which would be applied. The competition would focus on the following areas:

- o The qualifications and composition of the full development team.
- o Project characteristics, including:
  1. the soundness and feasibility of the project
  2. project design, with respect to both architectural and environmental considerations
- o The policy objectives of the parcel to parcel linkage program:
  1. the creation of a new neighborhood economy
  2. employment of minorities and area residents
  3. the funding of community development activities
  4. the provision of opportunities for Minority Business to obtain business from the project and to develop their capacity



5. the creation of affordable housing in response to the linkage requirements of the projects
6. the vesting of equity in the minority community
7. urban design

The following material indicates the general terms of these proposed competitive requirements:

1. General

- a. Each development team must include, in addition to its development principals, the following components of the total team:
  - o Construction Contracting
  - o Architecture
  - o Engineering
  - o Legal

Each submission shall be accompanied by a Letter of Interest from the full development team, listing its members and including the designated contact person.

2. Development Team Composition, Organization and Qualifications

- a. The overall development team must demonstrate that it has the capacity to undertake the Parcel 18 and Kingston-Bedford projects. In addition to evaluating the experience and financial resources of



the team, the BRA will particularly judge the extent to which the minority development partners have achieved a strong financial and decision-making role in the team.

- b. In addition to evaluating the capacity of the contractors, architects, engineers and attorneys which make up the teams, the BRA will judge the extent to which their firms are owned and controlled by members of minority groups.

### 3. Project Characteristics

- a. Development proposals must demonstrate that they are feasible and financially sound. To this end they must set out
  - o their overall development program and strategy
  - o the sequencing of project elements
  - o cost estimation
  - o financing strategy
- b. Proposals must demonstrate appropriate design. They will be judged on the quality of their design elements, as represented by preliminary architectural and engineering submissions. Taken into consideration will be
  - o mass and scale
  - o relationship of the project to the surrounding community
  - o materials



- o environmental impacts
- o amenities
- o transportation and pedestrian circulation

#### 4. Parcel to Parcel Linkage Objectives

Proposals will be evaluated on the extent to which they meet the overall objectives of the parcel to parcel linkage program.

- a. Proposals must respond to the goal of revitalizing their neighborhood economies. They will, therefore, be judged with respect to their ability to
  - o create space for job generating uses which have thus far not chosen to locate in Boston's neighborhoods. The potential of the project to locate service sector uses on the Parcel 18 site will be particularly evaluated. Proposals will be judged on the extent to which they will anchor and stimulate the further growth in Roxbury, particularly in those sectors of the economy which will create new jobs in the future.
  - o the quality of their proposals to create community retail space. The Kingston-Bedford and Parcel 18 projects, respectively, will have a requirement of 15,000 and 100,000 square feet of below-market space for community retail and services. The projects will be judged on the suitability of the proposals for this component.



- o the quality of the proposal for a performing arts center in the Parcel 18 project. This center should become a major asset to the surrounding community, bringing eighteen-hour a day vitality to the area and providing opportunities for local arts to flourish.

- b. Proposals should demonstrate that they will employ neighborhood residents and minorities in both construction and permanent jobs.

They will therefore be judged with respect to:

- o the suitability of the job profile of the proposed uses to the employment needs of area residents and minorities
- o a program for placing minorities and area residents in construction jobs
- o the proposed program for training minorities and area residents for the permanent jobs available in the development; the proposals should indicate how they will direct the job training portion of the required linkage payments
- o the appropriateness of the child-care provisions for assuring that area residents and minorities will be able to accept employment in the development



- o the leasing program's approach to obtaining minority and community firms and businesses as tenants in the development
- c. Proposals must provide ongoing funding for community development in Boston. Proposals should indicate a commitment to provide up to 5 percent of the pre-tax income of the Kingston-Bedford project. Percentages of net refinancing proceeds, net syndication proceeds, and net sales residuals of both projects will also be evaluated for their impact on community development funding in Boston.
- d. Proposals must demonstrate how they will build the capacity of Minority Business Enterprises through a program for identifying MBEs and utilizing them in the planning, development and operation of the projects. It is expected that thirty percent of project soft costs, not counting interest payments and fees, will be awarded to minority firms. Competitors will be judged on:
  - o the inclusion of minority firms as part of the development team
  - o the adequacy of their proposals to identify local minority firms and to develop their capacity through their employment on these projects.
- e. Project proponents will be judged on the effectiveness of the proposals to meet the city's current shortage of affordable housing. It shall, therefore, be a condition of the competition that up to 50 percent of housing linkage payments generated by the Kingston-Bedford



and Parcel 18 projects be required up front, in accordance with the Housing Creation Regulations promulgated by the BRA. It shall be a further condition of the competition that up to 50 percent of housing linkage payments from these projects be targeted to their areas of impact, Roxbury and Chinatown.

- f. Proposals must specify the minority development team's ownership participation in the development project, both financially and with respect to project management and decision making. A minimum 25 percent minority ownership is required. The degree of minority ownership above the minimum may be a significant factor in the evaluation process.
- g. Proposals will also be judged on the soundness of their project designs, specifically the extent to which project designs support and expand upon the urban design concepts conceived of for each site.



## **SUMMARY OF PUBLIC CONTRIBUTIONS**



## PARCEL-TO-PARCEL LINKAGE PROGRAM

### Summary of Public Sector

#### Contributions and Community Benefits

#### I. Public Sector Contributions<sup>\*</sup>

##### o City of Boston

- Net Land Sale Proceeds on Kingston-Bedford Site - \$15 million
- Net Land Sale Proceeds on 140 Essex Street - \$3.5 million
- Targeted Jobs Linkage Payments - \$1.4 million (Est.)
- Targeted Housing Linkage Payments - \$7.0 million (Not less than 20% to adjacent community; may be required up-front)
- Parcel 18 Land Value - \$1.8 million
- BRA Third Party and Direct Staff Cost - \$1.4 million

TOTAL: \$30.1 Million

##### o Commonwealth of Massachusetts

- Parcel 18 Land Value - \$5.2 million (Based on \$15/FAR GSF)
- Chinatown Assistance (150 units @ \$85,000) - \$12.5 million
- Roxbury Assistance (150 units @ \$85,000) - \$12.5 million

TOTAL: \$30.2 million

##### o Federal Government

- Urban Development Action Grant - \$10 million

##### o Other Public Sector Contributions\*\*

- Kingston-Bedford and Parcel 18 Foundations, Site Preparation, or Equivalent - \$41-44 million



## II. Recap of Community Benefit

|                           |                             |
|---------------------------|-----------------------------|
| Public Sector Investment  | \$114,300,000               |
| Private Sector Investment | <u>295,550,000</u>          |
| TOTAL PROJECT COST:       | <u><u>\$409,850,000</u></u> |

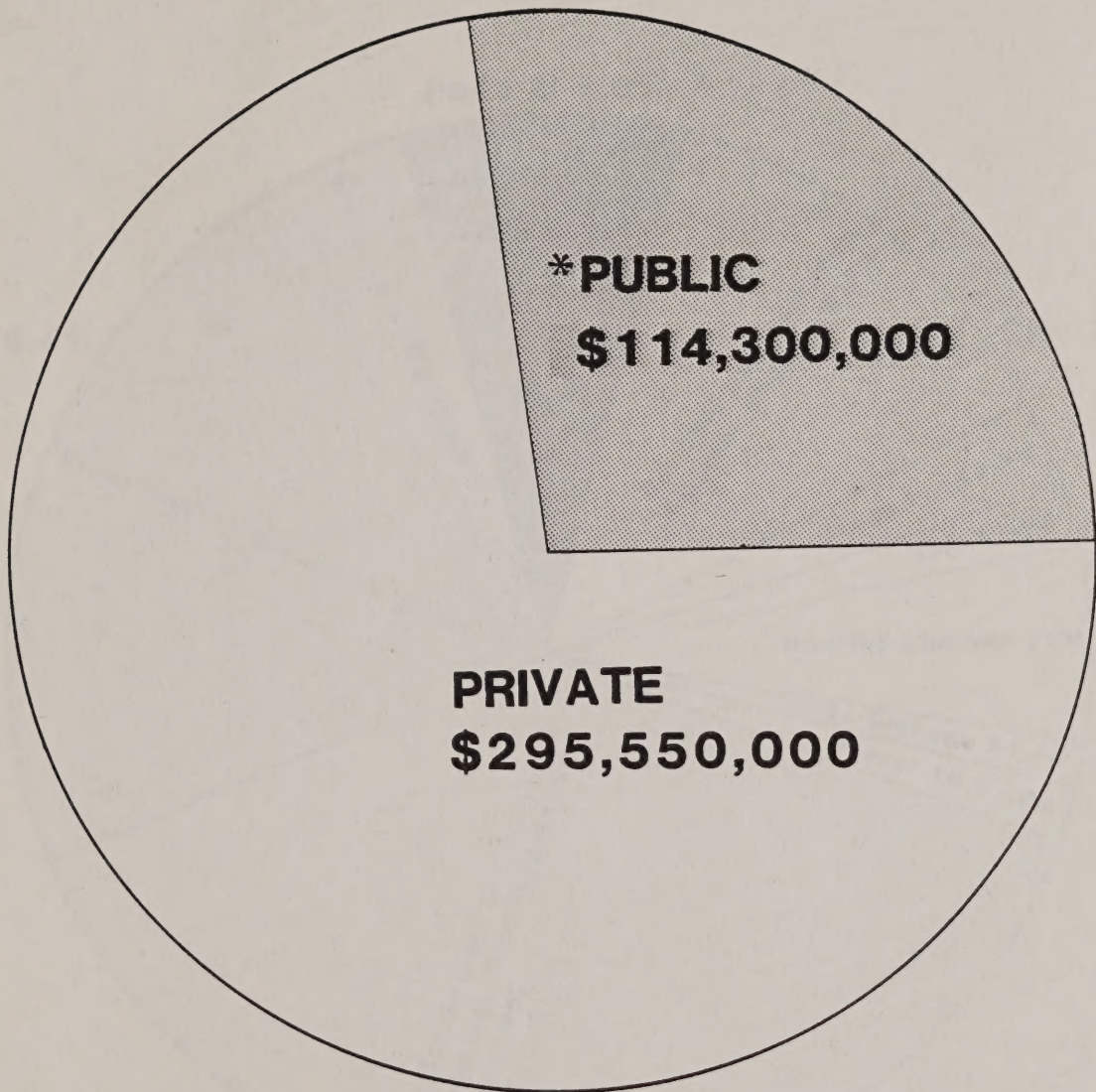
It should be noted that the preceding figures represent a proposed financial structure. As the preliminary stages of these projects move forward, the financial structure shown above could be changed, as could each particular number. Thus, the public contributions shown above are not firm commitments, but rather recommendations.

\* It is proposed that the majority of the public sector contributes would be (1) "in kind", i.e., land value, (2) sale proceeds (3) linkage funds and (4) below market rate loans. Very little in the way of new appropriation is required.

\*\* A number of sources exist to fund the "non-recoverable" below-grade and infrastructure costs, including: UDAG, CDAG, and Tax-Exempt or Taxable Bonds. All of these options will be evaluated during the program development phase.



PARCEL TO PARCEL LINKAGE PROGRAM  
PUBLIC AND PRIVATE INVESTMENT

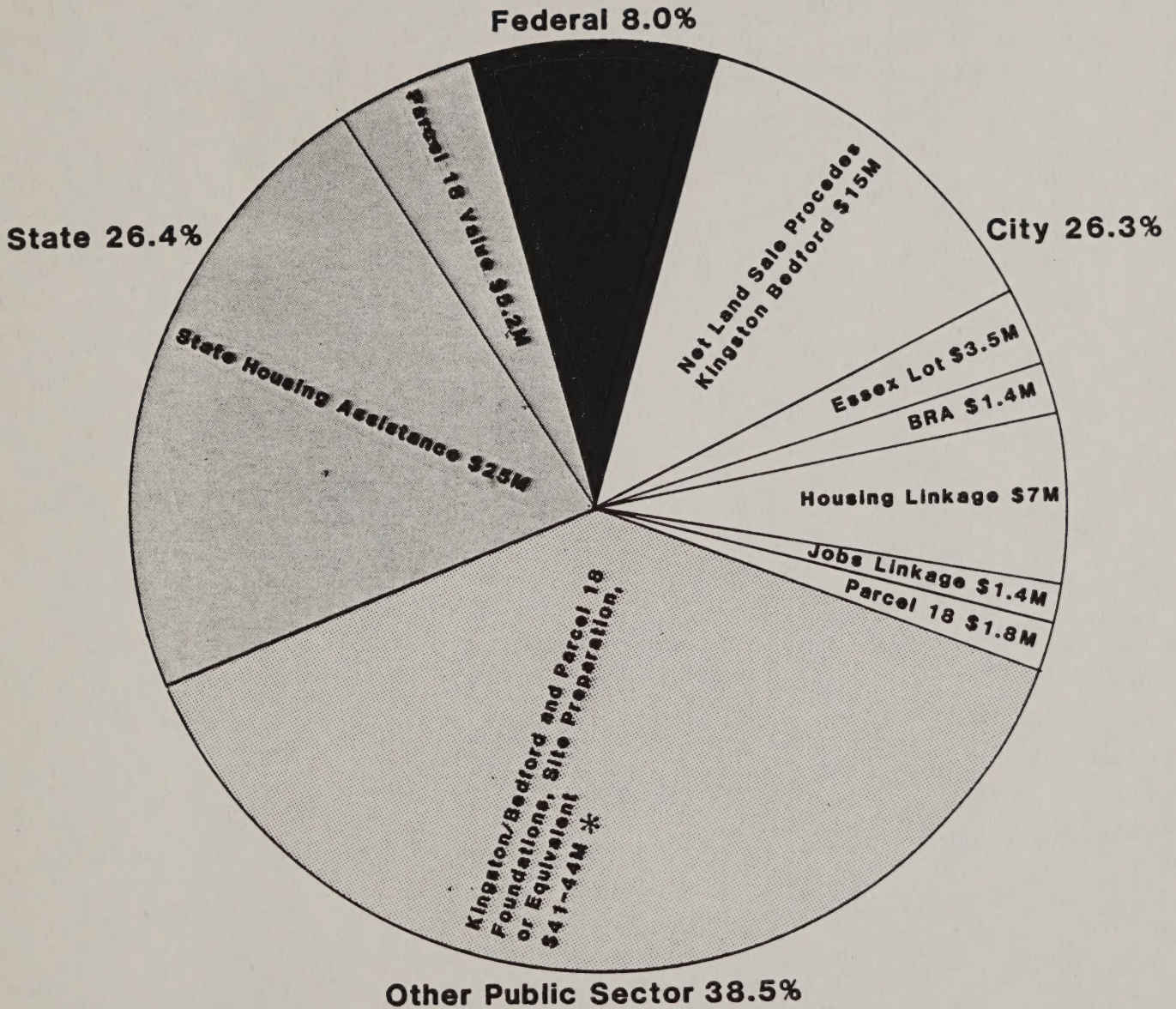


**TOTAL PROJECT COST**  
**\$409,850,000**

\* It is proposed that the majority of the public sector contributions would be (1) "in kind", i.e., land value, (2) sale proceeds (3) linkage funds and (4) below market rate loans. Very little in the way of new appropriation is required.



PARCEL TO PARCEL LINKAGE PROGRAM  
FEDERAL, STATE, AND CITY CONTRIBUTION



\* A number of sources exist to fund the "non-recoverable" below-grade and infrastructure costs, including: UDAG, CDAG, and Tax-exempt or Taxable Bonds. All of these options will be evaluated during the program development phase.



## NEXT STEPS



SCHEDULE FOR DEVELOPER SELECTION PROCESS FOR  
PROJECT I: PARCEL 18/KINGSTON-BEDFORD PARCEL

| <u>Date</u>           | <u>Event</u>                                                                                                                                                                                   |
|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| March 31, 1986        | Draft Interim Report on parcel to parcel linkage for Project I (Parcel 18/ Kingston-Bedford) issued                                                                                            |
| April 18              | Draft Requests for Qualifications (RFQ) for minority developers prepared for review by City, State, Parcel 18+ Task Force, Chinatown Neighborhood Council                                      |
| May 2                 | Parties conclude review of Draft Interim Report and Draft RFQ's                                                                                                                                |
| May 5 - May 23        | Formal approval as required for Project I RFQ by: BRA Board, MBTA Board, Public Facilities Commission, Real Property Board; Review by Parcel 18+ Task Force, Neighborhood Council of Chinatown |
| May 8                 | BRA Board approves RFP for environmental consultant                                                                                                                                            |
| May 9                 | BRA environmental consultant files Environmental Notification Form (ENF)                                                                                                                       |
| May 16                | MEPA publishes notice of availability of ENF                                                                                                                                                   |
| June 6                | BRA environmental consultant starts preparation of Draft Environmental Impact Report (DEIR) for both projects                                                                                  |
| June 9                | MEPA issues DEIR Scope                                                                                                                                                                         |
| *June 16              | Issuance of RFQ's for minority developers                                                                                                                                                      |
| June 15 - September 5 | Review and approval of Requests for Proposal, (RFP)                                                                                                                                            |
| July 14               | Responses to RFQ due from minority developers.                                                                                                                                                 |
| July 17 - August 15   | Parties review, evaluate responses and request additional information and material; presentations to reviewing parties                                                                         |



| <u>Date</u>                   | <u>Event</u>                                                                                                                 |
|-------------------------------|------------------------------------------------------------------------------------------------------------------------------|
| August 8                      | BRA consultant completes DEIR and<br>BRA submits to MEPA                                                                     |
| August 14                     | MEPA issues notice of DEIR availability                                                                                      |
| *August 15                    | Minority developer(s) approved                                                                                               |
| *September 15                 | BRA issues RFP for Kingston-Bedford<br>and Parcel 18                                                                         |
| October 1                     | MEPA issues decision on DEIR                                                                                                 |
| November 15                   | Responses to RFP due from developers                                                                                         |
| November 15 - January 2, 1987 | Parties review, evaluate proposals;<br>request additional information and<br>material; presentations to reviewing<br>parties |
| *January 16, 1987             | Tentative Designation of Developer(s)                                                                                        |
| January 19 - March 22         | Negotiation between public parties and<br>development partners                                                               |
| March 16                      | Development team confirmed                                                                                                   |
| March 18                      | Developer starts final EIR                                                                                                   |
| July 17                       | Final EIR completed                                                                                                          |
| *September 18, 1987           | Final Designation of Kingston-Bedford/<br>Parcel 18 developers                                                               |
| *October 28, 1987             | Ground breaking                                                                                                              |

This schedule is optimistic: It assumes best efforts by all parties involved in this complex development process. A number of other complex events will parallel this process. A final, more complete schedule of events will be established following community review and discussion. A separate schedule will be developed for each subsequent project.



## GLOSSARY OF REAL ESTATE DEVELOPMENT TERMS

After-tax Cash Flow (ATCF) - A measure of income from operations. Specifically, it is defined as net operating income less debt service less income taxes for any year of operation.

Amortization - The process by which the debt is reduced by a series of regular, periodic payments.

Before-tax Cash Flow (BTCF) - A measure of annual income from operation equal to net operating income less debt service.

Capitalization Rate - The rate of return that expresses the relationship between one year's income and its corresponding capital value. This is often derived from the marketplace by determining the relationship between the net operating income and the sales prices of other comparable, recently sold properties.

Cash-on-Cash Return - A measure of a project's financial performance which indicates a developer's return on invested equity. The first stabilized year's net operating income, less the annual cost of financing, divided by initial cash investment.

Construction Loan - An interim loan used to finance the construction of buildings and other improvements on a site. Typically, only interest is paid or accrued during the construction period. The construction loan is usually paid off with the proceeds of a permanent mortgage.



Debt Coverage Ratio - The ratio of net operating income to debt service.

Traditionally, it is used as a measure of financial risk by lenders. Typical values of well-run investments vary between 1.2 and 1.5.

Debt Service - The periodic payment of interest only (in "interest- only" loans) or interest and principal reduction (in level-payment amortization loans). This is also commonly referred to as the mortgage payment.

Depreciation Allowance - An accounting concept that permits the reduction of taxable income in determining tax liability. Developers are permitted to subtract a portion of the value of a property from their taxable income each year for a specified number of years. Since depreciation allowance is not a cash expense and since the actual depreciation (loss in value) of the property bears no relationship to the depreciation allowance for tax purposes, this amount forms the basis of tax shelter for real estate.

Depreciable Basis - The portion of the real estate investment against which the investor may take either straight-line or accelerated depreciation. It is most commonly the purchase price of an income-producing property, less the value of the land, plus the cost of any subsequent improvements since purchase, less previously taken depreciation deductions.

Effective Gross Income - The amount of income available to pay expenses after vacancy losses have been deducted.



Equity - An investor's cash investment in real property. It does not include the financing contributed to the project by a lender, i.e., debt. Equity can grow as the value of the property increases, and the mortgage principal is gradually reduced by mortgage payments.

Financial Leverage - The increase in the rate of return to the equity investor due to borrowing funds. Favorable financial leverage exists when the rate of return on the investment is greater than the cost of borrowing funds. Unfavorable financial leverage exists when the cost of borrowing is greater than the rate of return on the investment.

General Partnership - A joint ownership form characterized by personal income tax rates and unlimited liability.

Internal Rate of Return (IRR) - An investment analysis technique that calculates for the rate that will reduce future cash outflows from a real estate investment to equal the initial cash investment (inflows). This is sometimes called the yield on the investment.

Joint Venture - A legal arrangement in which two or more parties undertake to share the risks and rewards of a venture on an agreed basis.

Limited Partnership - A form of ownership in which partners are divided into two classes: the general partner or partners who actively manage the operations of the group and bear full responsibility for its affairs, and the limited



partners, whose exposure is normally limited to the amounts for which they are obligated under the terms of the partnership agreement and who have no control over the affairs of the partnership.

Mortgage - A legal instrument under which property is pledged to secure the payment of a debt or obligation, subject to statutory requirements governing the procedure for foreclosure in the event of a default.

Net Operating Income (NOI) - Gross property income, less operating expenses and property taxes. It does not reflect any further deductions for mortgage payments, income taxes, depreciation, or non-operating expenses.

Net Present Value - The amount that results when the initial cash expenditure of a real estate investment is subtracted from the value of future receipts from the investment and is discounted at an acceptable rate.

Note - Evidence of indebtedness given by a borrower to a lender which is customarily secured by a mortgage on real estate, a letter of credit or other form or security.

Percentage Leases - Leasing arrangements that allow for a varying rent schedule according to volume of sales or income.

Permanent Loan - A mortgage loan intended to serve as permanent financing for the ultimate owners of the property. Sometimes this is called an end loan.



Points - Financial charges paid in connection with loan commitments or loans usually expressed as a percentage of the total amount borrowed.

Potential Gross Income - The amount of rental income that would result from 100% occupancy.

Reversion - The price or value of income-producing real estate at some point in the future when its sale can be expected.

Selling Expenses - The transaction costs associated with the conveyance of interests in real property.

Soft Costs - Development costs other than those devoted to land and actual construction, such as interest on borrowed funds, architectural and other professional fees, marketing costs, and incidental costs.

Tax Shelter - The opportunity to protect current income from taxation by taking current deductions against income that defer taxes and converting the income deferred from an item subject to the ordinary income tax to one qualifying for exclusion before taxation. Tax shelter exists wherever the depreciation expense is greater than the amortization of principal.

Vacancy Allowance - The amount that reduces potential gross income based upon the probability of the occurrence of vacancies.



## APPENDICES



## APPENDIX

### Summary of Tremont Street Corridor Market Analysis

Over the years of planning for the Southwest Corridor, a number of scenarios for development of Parcel 18 were prepared with the participation of the Parcel 18 and Station Area Task Forces. Those early schemes called for a mixed-use development with different combinations of office, retail, hotel and parking uses at varying square footages.

Given the specific moment in time, the unusual strength of new public commitments to the area, the Boston office and housing markets, the new Orange Line service and other positive changes in the Parcel 18+ area, the BRA felt it was appropriate to engage a consultant to take a new look at supply and demand characteristics in the Tremont Street corridor. The markets to be studied were office, retail, residential and hotel. The Boston real estate development and management consulting firm of Minot, DeBlois & Maddison/Colliers Leggat McCall (MDM) was retained by the BRA to conduct these analyses. The results of their work (see attachments for details) have formed the basis for the BRA's current position in support of a total development program on the site of approximately one million square feet.

Specifically, the results of MDM's analysis show very considerable strength in three of the four tested markets. MDM found the hotel market to be well, if not, over supplied, in better hotel locations close enough to service this area. However, results indicate that local or city-wide businesses, institutions or neighborhoods could together support function space and a conference facility in the Tremont Street corridor; MDM believes it is



reasonable to anticipate that some ancillary hotel facilities - function and banquet rooms and conference-related facilities - would do well here and should be included in development proposals. This would be particularly important for the community which has long felt a need to replace the community banquet and function rooms lost to the changing economy and physical deterioration of the Roxbury area.

In relation to the office market, which must be the primary use and the one to set the image for the site, MDM is optimistic given certain conditions. According to the MDM analysis, Parcel 18 just 2.2 miles from the downtown financial district, providing an attractive alternative location for office space. There is demonstrated potential for 250,000 to 500,000 square feet of office space to be located on this site over a 2-3 year period, with additional office development possible with appropriate public sector incentives. This is possible given excellent MBTA and automobile access to downtown and the availability of on-site structured parking. The conditions necessary to assure the site's success as the most competitive non-downtown office location are, particularly, rental rates lower than competing suburban locations, as well as day care and other support services, and public and institutional commitments to first-phase tenancies.

A deficiency of retail space in the area has created a very strong demand for community-serving retail, as well as retail to serve institutions, commuters and on-site employees and residents. Much of this demand can be accommodated on Parcel 18. It was found, though, that major shopping complex of supermarket and department store of at least 200,000 square feet could best be sited elsewhere in the Tremont Street corridor, as its location



on Parcel 18 would require so much grade parking as to preclude the use of the site for other development. Smaller-scale community-servicing retail (laundry, hardware, clothing, movie-theaters), commuter-serving retail (newstands, flower shops), institution-servicing retail (bookstore, fast food) and retail for residents and employees, will mainly be sited on Parcel 18. However, some of this retail can be integrated into a housing development on Parcel 22 across Ruggles Street, the MBTA retail spaces in Ruggles Street Station on the Northeastern University side of the Corridor, and on developments in BRA Parcels 16, 15 15, 14A, 20 and 23A along Tremont Street.

Due to a very tight neighborhood Boston housing market, there is very strong demand for housing on this site and nearby. Exceptional need is identified for low and moderate income rental units, but there is growing market support for moderate and luxury rental and ownership housing in the area.

While Parcel 18 will clearly have the overall identity of an office center, it can accommodate one, or possibly two, residential buildings. According to MDM, the first housing phase would most likely be mixed-income rental housing, and later as the area stabilizes, a second phase of ownership housing for moderate and market buyers. In addition, there is an unusually strong demand for day care at Parcel 18 to serve both on-site employees and neighborhood families. The provision of a day care facility will be a requirement of this development.



## APPENDIX

### Development and Operating Pro Forms

In the course of evaluating alternative development scenarios for the Kingston-Bedford and Parcel 18 sites, model development and operating pro formas for varying densities of development were prepared. Five densities of development (options 1-5) were tested for the Kingston-Bedford site and four development scenarios for Parcel 18 (options 1-4). In addition, these financing alternatives were examined for Parcel 18 Option #1 (1a,b,and c).

In each instance it was assumed that the development team leased or purchased on an installment sales basis, a 500 or 600 car parking structure from a public sector owner/developer. The garage net operating income is calculated on the garage pro forma and is then reflected as an income source on the appropriate building operating pro forma.

The pro formas are included to illustrate a series of tested options, and are not to be construed as recommended scenarios.



Kingston Bedford  
OPTION M1: 500,000 GSF (474,700 NSF), 150 WEIRUP, 500 GAS GARAGE -- NO TAILPUS  
Boston Redevelopment Authority  
March 28, 1986

## DEVELOPMENT PROGRAM:

|                       | Gross SF | % Effici. | Net SF  |
|-----------------------|----------|-----------|---------|
| Office (Lower Floors) | 411,428  | 87.00%    | 357,942 |
| Office (Upper Floors) | 68,572   | 87.00%    | 59,658  |
| Retail                | 15,000   | 83.00%    | 12,450  |
| Day Care              | 5,000    | 80.00%    | 4,000   |
| Garages               | 0        |           |         |
| TOTAL                 | 500,000  |           | 434,050 |

## DEVELOPMENT PRO FORMA

ACQUISITION AND SITE COST  
Initial Consideration \$20,000,000

## HARD COSTS:

| Construction:       | Cost/GSF | Cost         |
|---------------------|----------|--------------|
| Office              | \$100    | \$48,000,000 |
| Retail              | \$100    | \$1,500,000  |
| Day Care            | \$100    | \$500,000    |
| Garage (Cost/Space) | \$27,000 | \$0          |
| Foundation Premium  |          | \$0          |

TOTAL HARD COSTS: \$100 \$50,000,000

## SOFT COSTS:

|                                 |              |
|---------------------------------|--------------|
| Architecture/Eng.               | \$2,250,000  |
| Percent of Hard Costs:          | 4.50%        |
| Prof. Serv., Mktg. Brokerage:   | \$2,000,000  |
| Const. Loan Int./Financing Fees | \$13,000,000 |
| Taxes, Insur./Permits, Fees     | \$2,000,000  |
| Rent-up Deficit                 | \$3,500,000  |
| TOTAL SOFT COSTS                | \$22,750,000 |
| Percent of Hard Costs           | 45.50%       |

CONTINGENCY  
Percent of Hard Costs \$3,500,000  
7.00%

TOTAL DEVELOPMENT COST: \$96,250,000

Residential and Garage components are developed and operated separately

## OPERATING PRO FORMA - First Stabilized Year (YF 4)\*

|                 | Income SF | Income       |
|-----------------|-----------|--------------|
| INCOME**        |           |              |
| Office: (Lower) | \$39.53   | \$13,256,783 |
| Office: (Upper) | \$45.00   | \$2,515,225  |
| Retail          | \$20.00   | \$228,672    |
| Residential     |           | \$0          |

TOTAL GROSS INCOME \$16,000,680  
Vacancy @ 10% Incl. above

Subtotal \$16,000,680

Net Parking Income \$946,387

EFFECTIVE GROSS INCOME \$16,947,067

## EXPENSES

|                    |     |               |
|--------------------|-----|---------------|
| Operating Expenses |     |               |
| Office             | \$5 | \$2,088,000   |
| Retail             | \$5 | \$62,250      |
| Garage             | \$0 | \$0           |
| Real Estate Taxes  |     | \$2,600,691   |
| Limage Payments    |     | \$285,314     |
| TOTAL EXPENSES     |     | (\$3,036,555) |

NET OPERATING INCOME \$11,910,412

Neigh. Dev. Bank (5% of NOI): \$595,521

ROTDC (NOI/TOC) 12.37%

Debt Service \$9,478,548

Before Tax Cash Flow \$1,836,343

Cash on Cash Ret. (BTCF/EQUITY) 9.34%

## FINANCING

|                    |              |
|--------------------|--------------|
| TOC                | \$96,250,000 |
| Equity (820%)      | \$19,250,000 |
| Soft Mortgage      | \$0          |
| Conventional Mort. | \$77,000,000 |
| 11.5% 25 Yrs.      |              |
| Ann. Debt Service  | \$9,478,548  |



Kingston Bedford  
 Option #2: 700,000 GSF (608,200 NSF), 400' HEIGHT, 500' CAR GARAGE --ATTACHED TO INGS  
 Boston Redevelopment Authority  
 March 28, 1986

## DEVELOPMENT PROGRAM:

|                       | Gross SF | 1 Eff.%, | Net SF  |
|-----------------------|----------|----------|---------|
| Office (Lower Floors) | 582,472  | 87.00%   | 506,751 |
| Office (Upper Floors) | 97,528   | 87.00%   | 84,849  |
| Retail                | 15,000   | 83.00%   | 12,450  |
| Day Care              | 5,000    | 89.00%   | 4,450   |
| Garage*               | 0        |          |         |
| TOTAL                 | 700,000  |          | 608,050 |

## DEVELOPMENT PRO FORMA

## ACQUISITION AND SITE COST

Initial Consideration

\$20,000,000

## HARD COSTS:

## Construction:

|                     | Cost/GSF | Cost         |
|---------------------|----------|--------------|
| Office              | \$100    | \$68,000,000 |
| Retail              | \$100    | \$1,500,000  |
| Day Care            | \$100    | \$500,000    |
| Garage (Cost/Space) | \$27,000 | \$0          |

## Foundation Premium

\$0

TOTAL HARD COSTS: \$100 \$70,000,000

## SOFT COSTS:

|                                 |              |
|---------------------------------|--------------|
| Architecture/Eng.               | \$3,150,000  |
| Percent of Hard Costs:          | 4.50%        |
| Prof. Serv., Mktg., Brokerage:  | \$5,000,000  |
| Const. Loan Int./Financing Fees | \$15,000,000 |
| Taxes, Insur., Permits, Fees    | \$3,150,000  |
| Rent-up Deficit                 | \$4,150,000  |

## TOTAL SOFT COSTS

\$30,450,000

Percent of Hard Costs

43.50%

## CONTINGENCY

\$4,900,000

Percent of Hard Costs

7.00%

## TOTAL DEVELOPMENT COST:

\$125,350,000

\*Residential and Garage components are developed and operated separately

## OPERATING PRO FORMA - First Stabilized Year (P. 4)

|                 | Income SF | Income       |
|-----------------|-----------|--------------|
| INCOME:         |           |              |
| Office: (Lower) | \$39.53   | \$18,768,059 |
| Office: (Upper) | \$42.00   | \$3,358,844  |
| Retail          | \$20.00   | \$2,816,722  |
| Residential     | \$0       | \$0          |

TOTAL GROSS INCOME \$22,335,575

Vacancy @ 10% Incl. above

Subtotal \$22,335,575

Net Parking Income \$946,387

EFFECTIVE GROSS INCOME \$23,281,962

## EXPENSES

|                    |     |             |
|--------------------|-----|-------------|
| Operating Expenses | \$5 | \$2,958,000 |
| Office             | \$5 | \$52,250    |
| Retail             | \$5 | \$52,250    |
| Garage             | \$0 | \$0         |

Real Estate Taxes \$1,786,821

Linkage Payments \$428,571

TOTAL EXPENSES (\$6,835,442)

NET OPERATING INCOME \$16,446,319

Neigh. Dev. Bank (5% of NOI): \$922,316

ROD/C (NOI/TDC) 13.12%

Debt Service \$12,744,271

Before Tax Cash Flow \$3,279,733

Cash on Cash Ret. (R/C/EQUITY) 13.08%

## FINANCING

|                    | 1%            |  |
|--------------------|---------------|--|
| Equity (820%)      | \$25,070,000  |  |
| Soft Mortgage      | \$0           |  |
| Conventional Mort. | \$100,280,000 |  |
| 11.5% 25 Yrs.      |               |  |
| Ann. Debt Service  | \$12,344,271  |  |



K83

Kingston Bedford  
 OPTION #3: 800,000 BSF (653,050 NSF), 450' HEIGHT, 500 CAR GARAGE --WITHOUT TAXING  
 Boston Redevelopment Authority  
 March 28, 1986

## DEVELOPMENT PROGRAM:

|                       | Gross SF | % Effici. | Net SF  |
|-----------------------|----------|-----------|---------|
| Office (Lower Floors) | 707,586  | 87.00%    | 615,600 |
| Retail (Upper Floors) | 72,414   | 83.00%    | 60,100  |
| Day Care              | 13,000   | 83.00%    | 10,790  |
| Garages               | 5,000    | 80.00%    | 4,000   |
| TOTAL                 | 800,000  |           | 695,050 |

## DEVELOPMENT PRO FORMA

## ACQUISITION AND SITE COST

Initial Consideration \$20,000,000

## HARD COSTS:

| Construction:       | Cost/BSF | Cost         |
|---------------------|----------|--------------|
| Office              | \$100    | \$78,000,000 |
| Retail              | \$100    | \$1,500,000  |
| Day Care            | \$100    | \$500,000    |
| Garage (Cost/Space) | \$27,000 | \$0          |

## Foundation Premium \$0

TOTAL HARD COSTS: \$100 \$90,000,000

## SOFT COSTS:

|                                  |              |
|----------------------------------|--------------|
| Architecture/Eng.                | \$3,600,000  |
| Percent of Hard Costs:           | 4.50%        |
| Prof. Serv., Mgt. Brokerage:     | \$3,000,000  |
| Constr. Loan Int./Financing Fees | \$18,500,000 |
| Taxes, Insur., Permits, Fees     | \$4,150,000  |
| Rent-up Deficit                  | \$5,000,000  |

TOTAL SOFT COSTS \$34,250,000

Percent of Hard Costs 42.81%

## CONINGENCY

Percent of Hard Costs \$5,600,000

TOTAL DEVELOPMENT COST: \$139,850,000

\*Residential and Garage components are developed and operated separately

## OPERATING PRO FORMA - First Stabilized Year (Yr 4)

|                 | Income SF | Income       |
|-----------------|-----------|--------------|
| INCOME:         |           |              |
| Office: (Lower) | \$39.53   | \$22,799,407 |
| Retail (Upper)  | \$42.00   | \$2,451,331  |
| Residential     | \$20.00   | \$228,672    |
|                 |           | \$0          |

TOTAL GROSS INCOME \$25,479,409

Vacancy @ 10% Incl. above

## Subtotal

\$25,479,409

## Net Parking Income

\$946,387

## EFFECTIVE GROSS INCOME

\$26,425,796

## EXPENSES

|                    |     |
|--------------------|-----|
| Operating Expenses |     |
| Office             | \$5 |
| Retail             | \$5 |
| Garage             | \$0 |
|                    | \$0 |

Real Estate Taxes \$3,778,909

Limage Payments \$500,000

## TOTAL EXPENSES

(\$7,734,059)

## NET OPERATING INCOME

\$18,691,737

## Neigh. Dev. Fund (5% of NOI):

\$934,587

## ROD/C (NOI/TOC)

13.77%

## Debt Service

\$13,772,208

## Before Tax Cash Flow

\$3,919,542

Cash on Cash Ret. (BTCF/EQUITY) 14.25%

## FINANCING

|                    | TBC           |  |
|--------------------|---------------|--|
| Equity (80%)       | \$139,850,000 |  |
| Soft Mortgage      | \$27,970,000  |  |
| Conventional Mort. | \$0           |  |
| 11.5% 25 Yrs.      |               |  |
| Ann. Debt Service  | \$111,880,000 |  |
|                    | \$13,772,208  |  |



Kingston Bedford  
 OPTION #4: 900,000 GSF (782,050 NSF), 493' HEIGHT, 600 CAR GARAGE -- NO TAXING  
 Boston Redevelopment Authority  
 March 28, 1986

## DEVELOPMENT PROGRAM:

|                       | Gross SF | % Effici. | Net SF  |
|-----------------------|----------|-----------|---------|
| Office (Lower Floors) | 710,000  | 87.00%    | 617,700 |
| Office (Upper Floors) | 170,000  | 87.00%    | 147,900 |
| Retail                | 15,000   | 83.00%    | 12,450  |
| Day Care              | 5,000    |           | 4,000   |
| Garage**              | 0        |           |         |
| TOTAL                 | 900,000  |           | 782,050 |

## DEVELOPMENT PRO FORMA

## ACQUISITION AND SITE COST

Initial Consideration \$20,000,000

## HARD COSTS:

| Construction:       | Cost/GSF | Cost         |
|---------------------|----------|--------------|
| Office              | \$100    | \$88,000,000 |
| Retail              | \$100    | \$1,500,000  |
| Day Care            | \$100    | \$500,000    |
| Garage (Cost/Space) | \$27,000 | \$0          |
| Foundation Premium  |          | \$0          |

TOTAL HARD COSTS: \$100 \$90,000,000

## SOFT COSTS:

|                                 |              |
|---------------------------------|--------------|
| Architecture/Eng.               | \$4,050,000  |
| Percent of Hard Costs:          | 4.50%        |
| Prof. Serv., Mktg. Brokerage:   | \$3,000,000  |
| Const. Loan Int./Financing Fees | \$25,000,000 |
| Taxes, Insur., Permits, Fees    | \$3,150,000  |
| Rent-up Deficit                 | \$7,000,000  |

TOTAL SOFT COSTS \$44,200,000  
Percent of Hard Costs 49.11%CONTINGENCY \$6,300,000  
Percent of Hard Costs 7.00%

TOTAL DEVELOPMENT COST: \$160,500,000

Residential and Garage components are developed and operated separately

## OPERATING PRO FORMA - First Stabilized Year (YR 4)\*

|                 | Income SF | Income       |
|-----------------|-----------|--------------|
| INCOME**        |           |              |
| Office: (Lower) | \$39.53   | \$22,877,189 |
| Office: (Upper) | \$45.00   | \$6,235,610  |
| Retail          | \$20.00   | \$228,672    |
| Residential     |           | \$0          |

TOTAL GROSS INCOME \$29,341,471  
Vacancy @ 10% incl. above

Subtotal \$29,341,471

Net Parking Income \$1,097,991

EFFECTIVE GROSS INCOME \$30,439,461

## EXPENSES

|                    |     |
|--------------------|-----|
| Operating Expenses |     |
| Office             | \$5 |
| Retail             | \$5 |
| Garage             | \$0 |

Real Estate Taxes \$4,336,639  
Leasehold Payments \$511,429

TOTAL EXPENSES (\$8,798,317)

NET OPERATING INCOME \$21,641,144

Neigh. Dev. Rent (5 % of NOI)\* \$1,082,057

NOI DC (NOI/IDC) 13.48%

Lease Service \$15,805,787

Before Tax Cash Flow \$4,753,300

Cash on Cash Ret. (91CF/EQUITY) 14.81%

## FINANCING

|                    | TDC           |
|--------------------|---------------|
| Equity (80%)       | \$160,500,000 |
| Soft Mortgage      | \$32,100,000  |
| Conventional Mort. | \$0           |
| 11.5% 25 yrs.      |               |
| Ann. Debt Service  | \$128,400,000 |
|                    | \$15,905,787  |

\* First Stabilized Year is Year 4  
 \*\* Rents shown are year 1 base rents,  
 income is based on 6% escalation and  
 four year rent-up.  
 \*\*\*NOI is paid only if NOI is sufficient  
 to cover debt service



KBS

Kingston Bedford  
OPTION #5: 1,000,000 GSF (869,050 NSF), 40' Height, 500 car garage - without parking.  
Boston Redevelopment Authority  
March 28, 1986

DEVELOPMENT PROSPECT:

|                       | Gross SF  | % Eff. Use | Net SF  |
|-----------------------|-----------|------------|---------|
| Office (Lower Floors) | 719,000   | 87.00%     | 625,530 |
| Office (Upper Floors) | 281,000   | 87.00%     | 244,070 |
| Retail                | 13,000    | 83.00%     | 10,790  |
| Day Care              | 5,000     | 80.00%     | 4,000   |
| Garages               | 0         |            |         |
| TOTAL                 | 1,000,000 |            | 869,050 |

DEVELOPMENT PRO FORMA

ACQUISITION AND SITE COST

Initial Consideration \$20,000,000

HARD COSTS:

|                     | Cost/GSF | Cost          |
|---------------------|----------|---------------|
| Construction:       |          |               |
| Office              | \$105    | \$102,900,000 |
| Retail              | \$105    | \$13,650,000  |
| Day Care            | \$105    | \$5,250,000   |
| Garage (Cost/Space) | \$27,000 | \$0           |
| Foundation Premium  |          | \$0           |
| TOTAL HARD COSTS:   | \$105    | \$105,000,000 |

SOFT COSTS:

|                                 |               |
|---------------------------------|---------------|
| Architecture/Eng.               | \$4,725,000   |
| Percent of Hard Costs:          | 4.50%         |
| Prof. Serv., Mktg. Brokerage:   | \$4,000,000   |
| Const. Loan Int./Financing Fees | \$27,000,000  |
| Taxes, Insur., Permits, Fees    | \$6,000,000   |
| Rent-up Deficit                 | \$8,000,000   |
| TOTAL SOFT COSTS                | \$49,725,000  |
| Percent of Hard Costs           | 47.36%        |
| CONTINGENCY                     | \$7,350,000   |
| Percent of Hard Costs           | 7.00%         |
| TOTAL DEVELOPMENT COSTS:        | \$182,075,000 |

Residential and Garage components are developed and operated separately

OPERATING PRO FORMA - First Stabilized Year (Yr 4)\*\*

|                        | Income SF | Income       |
|------------------------|-----------|--------------|
| INCOME:                |           |              |
| Office: (support)      | \$22      | \$23,167,182 |
| Office: (exec)         | \$28      | \$9,998,584  |
| Retail                 | \$16      | \$28,672     |
| Residential            | \$0       | \$0          |
| TOTAL GROSS INCOME     |           | \$33,394,837 |
| Vacancy @ 10%          |           | incl. above  |
| Subtotal               |           | \$33,394,837 |
| Net Parking Income     |           | \$1,097,971  |
| EFFECTIVE GROSS INCOME |           | \$34,492,828 |

EXPENSES

|                                 |     |              |
|---------------------------------|-----|--------------|
| Operating Expenses              |     |              |
| Office                          | \$5 | \$4,263,000  |
| Retail                          | \$3 | \$62,750     |
| Garage                          | \$0 | \$0          |
| Fed. Estate Taxes               |     | \$4,919,236  |
| Litigation Payments             |     | \$632,857    |
| TOTAL EXPENSES                  |     | (89,887,344) |
| NET OPERATING INCOME            |     | \$24,605,484 |
| Highd. Dev. Bank (5% of NOI)*** |     | \$1,230,274  |
| NOI/DC (NOI/100)                |     | 13.51%       |
| Debt Service                    |     | \$17,930,459 |
| Before Tax Cash Flow            |     | \$5,444,751  |
| Cash on Cash Ret. (BTCF/EQUITY) |     | 14.55%       |

FINANCING

|                    |               |
|--------------------|---------------|
| TDI                | \$182,075,000 |
| Equity (80%)       | \$36,415,000  |
| Soft Mortgage      | \$0           |
| Conventional Mort. | \$145,660,000 |
| 11.5% 25 yrs.      |               |
| Ann. Debt Service  | \$17,930,459  |

\* First Stabilized Year is Year 4  
\*\* Pmts shown are year 1 base rents,  
income is based on 5% escalation and  
four year rent-up.  
\*\*\*NDR is paid only if NOI is sufficient  
to cover debt service



18-500  
116510N-REDFORD GARAGE/ 500 spaces

Boston Redevelopment Authority  
March 27, 1986

# DEVELOPMENT PRO FORMA

## SITE ASSEMBLY AND CLEARANCE COSTS

Site Clearance \$1,700,000

## HARD COSTS:

Garage Construction Cost

Cost/Space Cost  
\$25,000 \$12,500,000

TOTAL HARD COSTS:

\$12,500,000

## SOFT COSTS:

Architecture/Eng.  
Percent of Hard Costs: \$625,000  
5.00%

Legal Accounting, Other Prof. Services  
(Lump Sum Estimate) \$300,000

Construction Loan Interest  
(8% of Hard Costs w/ 50% drawdown) \$1,000,000

Taxes, Insur., Permits, Fees  
(Lump Sum Estimate) \$250,000

TOTAL SOFT COSTS \$2,175,000  
Percent of Hard Costs 17.40%  
Soft Costs as a Percent of TDC 12.8%

CONTINGENCY \$625,000  
Percent of Hard Costs 5.00%

TOTAL DEVELOPMENT COSTS: \$17,000,000

TDC/Space \$34,000

## DEVELOPMENT PRO FORMA NOTES

\* Hard and Soft costs are based on information from MDN

# OPERATING PRO FORMA

Potential Gross Income 8 spaces Period/Yr 1988 Rate Turnover Rate Gross Income

| Monthly            | 350 | 12 months | \$300/month | 1.0 times/yr  | \$1,260,000 |
|--------------------|-----|-----------|-------------|---------------|-------------|
| Daily Long-Term    | 75  | 250 days  | \$15.25/day | 1.1 times/day | \$114,531   |
| Daily Short-Term   | 75  | 250 days  | \$10.25/day | 2.4 times/day | \$461,250   |
| Evening Short-Term | 100 | 250 days  | \$7.50/day  | 1.0 times/day | \$187,500   |
| Evening Long-Term  | 25  | 12 months | \$150.00/yr | 1.0 times/day | \$45,000    |
| Saturday/Holiday   | 150 | 63 days   | \$6.50/day  | 1.0 times/day | \$61,325    |
| Sunday             | 100 | 52 days   | \$6.50/day  | 1.0 times/day | \$33,800    |

Potential Gross Revenues:  
Predicted Vacancies--5%

\$2,363,506

Effective Gross Revenues:

\$2,245,331

## Operating Expenses:

Garage Operations \$359,253  
Valet Parking Operations \$0  
Garage Management \$0  
Building Maint/Repair \$0  
Building Insurance \$0  
Subtotal \$359,253

## NET OPERATING INCOME

\$1,886,078

ROTDC (Return on Total Development Costs)

11.09%

Lease Payment (6% of TDC)

\$1,020,000

Cash Flow after Lease Payment

\$866,078

## OPERATING PRO FORMA NOTES

\* Op. Exp. based on 16% of gross revenue. This is a standard rule of thumb according to MDN

\* Income figures based on Post Office Square parking garage figures from Colliers Legat McCall



K8-600  
KINGSTON-REDFORD GARAGE/ 600 spaces  
March 27, 1986

Boston Redevelopment Authority

# DEVELOPMENT PRO FORMA

SITE ASSEMBLY AND CLEARANCE COSTS  
Site Clearance \$1,700,000

TOTAL SITE COSTS: \$1,700,000

## HARD COSTS:

Garage Construction Cost/Space \$25,000 \$15,000,000

TOTAL HARD COSTS: \$15,000,000

## SOFT COSTS:

Architecture/Eng. \$750,000  
Percent of Hard Costs: 5.00%

Legal, Accounting, Other Prof. Services  
(Lump Sum Estimate) \$300,000

Construction Loan Interest  
(8% on \$25 million w/50% drawdown) \$1,000,000

Insurance, Permits, Fees \$250,000  
(Lump Sum Estimate)

TOTAL SOFT COSTS: \$2,300,000  
Percent of Hard Costs 15.33%  
Percent of TOD 11.65%

CONTINGENCY 5.00% \$750,000  
Percent of Hard Costs

TOTAL DEVELOPMENT COSTS: \$19,750,000

TOD/Space \$35,909

## DEVELOPMENT PRO FORMA NOTES

\* Hard and Soft costs are based on information from the Post Office Square Pro Formas.

# OPERATING PRO FORMA

| Potential Gross Income | # spaces | Period/Yr | 1988 Rate | Turnover Rate | Gross Income |
|------------------------|----------|-----------|-----------|---------------|--------------|
|------------------------|----------|-----------|-----------|---------------|--------------|

|                    |     |           |             |               |             |
|--------------------|-----|-----------|-------------|---------------|-------------|
| Monthly            | 400 | 12 months | \$300/month | 1.0 times/mo  | \$1,440,000 |
| Daily Long-Term    | 75  | 365 days  | \$15.25/day | 1.1 times/day | \$314,531   |
| Daily Short-Term   | 100 | 250 days  | \$10.25/day | 2.4 times/day | \$615,000   |
| Evening Short-Term | 125 | 60 days   | \$7.50/day  | 1.0 times/day | \$734,375   |
| Evening Long-Term  | 25  | 12 months | \$150.00/mo | 1.0 times/day | \$45,000    |
| Saturday/Holiday   | 150 | 63 days   | \$6.50/day  | 1.0 times/day | \$61,425    |
| Sunday             | 100 | 52 days   | \$6.50/day  | 1.0 times/day | \$33,800    |

Potential Gross Revenues: \$2,744,131  
Predicted Vacancies--5% \$157,209

Effective Gross Revenues: \$2,606,925

Operating Expenses:

Garage Operations \$417,108  
Valet Parking Operations \$0  
Garage Management \$0  
Building Maint/Repair \$0  
Building Insurance \$0

Subtotal \$417,108

NET OPERATING INCOME \$2,189,817

ROTC (NOI/TOD) 11.09%

Purchase Consideration (6% of TOD) \$1,185,000

NET CASH FLOW \$1,004,817

ROTC (After Consideration) 5.09%

## OPERATING PRO FORMA NOTES

\* Op. Exp. based on 1% of gross revenue. This is a standard rule of thumb.

\* Income figures based on Post Office Square parking garage figures from Colliers Legat McCall



OP INDU

Parcel 18  
 Option No: 700,000 sq. ft. COMMERCIAL SPACE (500 GARAGE--NO UDBG LOAN)  
 Boston Redevelopment Authority  
 March 27, 1986

DEVELOPMENT PROGRAM:

|                          | Gross SF | % Eff. C. | Net SF  |
|--------------------------|----------|-----------|---------|
| Office (Support Space)   | 200,000  | 87.00%    | 174,000 |
| Office (Executive Space) | 400,000  | 87.00%    | 348,000 |
| Retail                   | 100,000  | 83.00%    | 83,000  |
| Residential              | 0        | 80.00%    | 0       |
| Garage                   | 0        |           | 0       |
| Total                    | 700,000  |           | 605,000 |

DEVELOPMENT PRO FORMA

|                     | Cost/GSF | Cost         |
|---------------------|----------|--------------|
| Construction:       |          |              |
| Office              | \$100    | \$60,000,000 |
| Retail              | \$100    | \$10,000,000 |
| Resid.              | \$90     | \$0          |
| Garage (Cost/Space) | \$27,000 | \$0          |
| Foundation Premium  |          | \$0          |
| TOTAL HARD COSTS:   | \$100    | \$70,000,000 |

SOFT COSTS:

|                                   |               |
|-----------------------------------|---------------|
| Architecture/Eng.                 | \$3,150,000   |
| Percent of Hard Costs:            | 4.50%         |
| Legal, Accounting, Mtg, Brokerage | \$6,500,000   |
| Const. Loan Int./Financing Fees   | \$3,000,000   |
| Taxes, Insur., Permits, Fees      | \$4,000,000   |
| Rent-up Deficit                   | \$5,000,000   |
| TOTAL SOFT COSTS                  | \$27,650,000  |
| Percent of Hard Costs             | 39.5%         |
| CONTINGENCY                       | \$4,900,000   |
| Percent of Hard Costs             | 7.00%         |
| TOTAL DEVELOPMENT COSTS:          | \$102,550,000 |

\*Residential and Garage components are developed and operated separately

OPERATING PRO FORMA - First Stabilized Year \*

|                  | Income SF | Income      |
|------------------|-----------|-------------|
| INCOME:          |           |             |
| Office (Support) | \$22      | \$3,584,495 |
| Office (Exec.)   | \$28      | \$9,129,359 |
| Retail           | \$18      | \$1,372,050 |
| Residential      |           | \$0         |

|                        |              |
|------------------------|--------------|
| TOTAL GROSS INCOME     | \$14,087,783 |
| Vacancy @ 10%          | incl. above  |
| Subtotal               | \$14,087,783 |
| Net Parking Income     | \$505,165    |
| EFFECTIVE GROSS INCOME | \$14,592,950 |

EXPENSES

|                    |     |               |
|--------------------|-----|---------------|
| Operating Expenses | \$5 | \$2,610,000   |
| Office             | \$5 | \$115,000     |
| Retail             | \$0 | \$0           |
| Garage             | \$0 | \$0           |
| Real Estate Taxes  |     | \$2,770,540   |
| Linkage Payments   |     | \$250,000     |
| TOTAL EXPENSES     |     | (\$5,085,540) |

NET OPERATING INCOME

|                                 |             |
|---------------------------------|-------------|
| Net Operating Income            | \$9,547,650 |
| Mtd. Dev. Bank (5% of NOI)***   | \$0         |
| ROIC (NOI-TDC)                  | 8.33%       |
| Debt Service                    | \$8,252,492 |
| Before Tax Cash Flow            | \$294,558   |
| Cash on Cash Ret. (BTCF/EQUITY) | 1.44%       |

\* First Stabilized Year is Year 4  
 \*\* Rents shown are year 1 base rents,  
 income is based on 6% escalation and  
 four year rent-up.  
 \*\*\* NDR paid only if NOI is sufficient  
 to cover debt service.

FINANCING

|                    |              |
|--------------------|--------------|
| Equity (20%)       | \$20,510,000 |
| Soft Mortgage      | \$15,000,000 |
| UDAG Mortgage      | \$0          |
| Conventional Mort. | \$67,040,000 |
| 11.5% 25 Yrs.      |              |
| Ann. Debt Service  | \$8,252,492  |



DP1UD10

Parcel 1B  
 Option #1b, 700,000 sq. ft., COMMERCIAL SPACE (500 GAR GARAGE--11 MILLION UDBG LOAN)  
 Boston Redevelopment Authority  
 March 27, 1986

DEVELOPMENT PROGRAM:

|                          | Gross SF | % Effici. | Net SF  |
|--------------------------|----------|-----------|---------|
| Office (Support Space)   | 200,000  | 87.00%    | 174,000 |
| Office (Executive Space) | 400,000  | 87.00%    | 348,000 |
| Retail                   | 100,000  | 83.00%    | 83,000  |
| Residential*             | 0        | 80.00%    | 0       |
| Garage                   | 0        |           | 0       |
| Total                    | 700,000  |           | 605,000 |

DEVELOPMENT PRO FORMA

HARD COSTS:

|                     | Cost/RSF | Cost         |
|---------------------|----------|--------------|
| Construction:       |          |              |
| Office              | \$100    | \$60,000,000 |
| Retail              | \$100    | \$10,000,000 |
| Resid.              | \$70     | \$0          |
| Garage (Cost/Space) | \$27,000 | \$0          |
| Foundation Premium  |          | \$0          |
| TOTAL HARD COSTS:   | \$100    | \$70,000,000 |

SOFT COSTS:

|                                    |              |
|------------------------------------|--------------|
| Architecture/Eng.                  | \$3,150,000  |
| Percent of Hard Costs:             | 4.50%        |
| Legal, Accounting, Mktg, Brokerage | \$6,500,000  |
| Constr Loan Int./Financing Fees    | \$9,000,000  |
| Taxes, Insur., Permits, Fees       | \$4,000,000  |
| Rent-up Deficit                    | \$5,000,000  |
| TOTAL SOFT COSTS                   | \$27,650,000 |
| Percent of Hard Costs              | 39.50%       |

CONTINGENCY

|                          |               |
|--------------------------|---------------|
| Percent of Hard Costs    | \$4,900,000   |
| Percent of Hard Costs    | 7.00%         |
| TOTAL DEVELOPMENT COSTS: | \$102,550,000 |

\*Residential and Garage components are developed and operated separately

OPERATING PRO FORMA - First Stabilized Year\*

|                        | Income SF | Income       |
|------------------------|-----------|--------------|
| INCOME**               |           |              |
| Office: (Support)      | \$22      | \$3,586,495  |
| Office: (Exec)         | \$28      | \$9,129,459  |
| Retail                 | \$18      | \$1,372,030  |
| Residential            | \$0       | \$0          |
| TOTAL GROSS INCOME     |           | \$14,087,983 |
| Vacancy @ 10%          |           | Incl. above  |
| Subtotal               |           | \$14,087,983 |
| Net Parting Income     |           | \$505,106    |
| EFFECTIVE GROSS INCOME |           | \$14,592,879 |

EXPENSES

|                    |     |             |
|--------------------|-----|-------------|
| Operating Expenses | \$5 | \$2,619,000 |
| Office             | \$5 | \$415,000   |
| Retail             | \$0 | \$0         |
| Garage             | \$0 | \$0         |
| Real Estate Taxes  |     | \$2,770,800 |
| Linpane Payments   |     | \$250,000   |
| TOTAL EXPENSES     |     | \$6,445,800 |

NET OPERATING INCOME

|                                |              |
|--------------------------------|--------------|
| Real Estate Taxes              | \$2,770,800  |
| Linpane Payments               | \$250,000    |
| TOTAL EXPENSES                 | \$6,445,800  |
| NET OPERATING INCOME           | \$20,638,729 |
| NDB Dev Bank (5% of NOI)***    | \$427,353    |
| ROIC (NOI/TEC)                 | 8.33%        |
| Debt Service                   | \$7,021,512  |
| Before Tax Cash Flow           | \$1,096,186  |
| Cash on Cash Ret. (ROIC/EDUTY) | 5.35%        |

FINANCING

|                    | TIE |              |
|--------------------|-----|--------------|
| Equity (92%)       |     | \$20,519,000 |
| Soft Mortgage      |     | \$15,000,000 |
| UDBG Mortgage      |     | \$10,000,000 |
| Conventional Mort. |     | \$57,040,000 |
| 11.57, 25 Yrs.     |     |              |
| Ann. Debt Service  |     | \$7,021,512  |



# OF FUDIS

Parcel 18  
 OFFICE Bldg: 700,000 sq. ft., COMMERCIAL SPACE 1500 CAR GARAGE WITH 415 MILLION (1985)  
 Boston Redevelopment Authority  
 March 27, 1986

## DEVELOPMENT PROGRAM:

|                          | Gross SF | % Effici. | Net SF  |
|--------------------------|----------|-----------|---------|
| Office (Support Space)   | 200,000  | 87.00%    | 174,000 |
| Office (Executive Space) | 400,000  | 87.00%    | 348,000 |
| Retail                   | 100,000  | 83.00%    | 83,000  |
| Residential*             | 0        | 80.00%    | 0       |
| Garage**                 | 0        |           |         |
| TOTAL                    | 700,000  |           | 605,000 |

## DEVELOPMENT PRO FORMA

### HARD COSTS:

|                     | Cost/SF  | Cost         |
|---------------------|----------|--------------|
| Construction:       |          |              |
| Office              | \$100    | \$67,000,000 |
| Retail              | \$100    | \$10,000,000 |
| Resid.              | \$30     | \$0          |
| Garage (Cost/Space) | \$27,000 | \$0          |
| Foundation Premium  |          | \$0          |

TOTAL HARD COSTS: \$100 \$70,000,000

### SOFT COSTS:

|                                    |              |
|------------------------------------|--------------|
| Architecture/Eng.                  | \$3,150,000  |
| Legal, Accounting, Mktg, Brokerage | 4,502        |
| Const. Loan Int./Financing Fees    | \$6,500,000  |
| Taxes, Insur., Permits, Fees       | \$2,000,000  |
| Rent-up Deficit                    | \$4,000,000  |
| TOTAL SOFT COSTS                   | \$27,650,000 |
| Percent of Hard Costs              | 39.50%       |

CONTINGENCY  
 Percent of Hard Costs \$4,900,000  
 7.00%

TOTAL DEVELOPMENT COSTS: \$102,550,000

\*Residential and Garage components are developed and operated separately

## OPERATING PRO FORMA - First Stabilized Year\*

|                   | Income SF | Income      |
|-------------------|-----------|-------------|
| INCOME**          |           |             |
| Office: (Support) | \$22      | \$3,586,473 |
| Office: (Exec)    | \$28      | \$9,129,250 |
| Retail            | \$18      | \$1,372,030 |
| Residential       | \$0       | \$0         |

TOTAL GROSS INCOME \$14,087,753  
 Vacancy & 10% incl. above

Subtotal \$14,087,753

Net Parking Income \$505,105

EFFECTIVE GROSS INCOME \$14,592,858

### EXPENSES

|                    |     |             |
|--------------------|-----|-------------|
| Operating Expenses | \$5 | \$2,610,000 |
| Office             | \$5 | \$415,000   |
| Retail             | \$0 | \$0         |
| Garage             | \$0 | \$0         |

Real Estate Taxes \$2,770,840  
 Linkage Payments \$50,000

TOTAL EXPENSES (\$5,045,840)

NET OPERATING INCOME \$9,547,050

Mobd. Dev. Bank 15% of NOI\*\*\* \$427,353

ROIC (NOI/IOC) 8.33%

Debt Service \$6,306,122

Before Tax Cash Flow \$1,713,676

Cash on Cash Ret. (RUC/EQUITY) 8.36%

\*First Stabilized Year is Year 4

\*\*Rents shown are year 1 base rents

Income is based on 6% escalation and

four year rent-up.

\*\*\*MOB paid only if NOI is sufficient

to cover debt service

## FUNDING

|                                    |               |
|------------------------------------|---------------|
| IOE                                | \$102,550,000 |
| Equity (820%)                      | \$20,510,000  |
| Soft Mortgage                      | \$15,000,000  |
| IFBAG Mortgage                     | \$15,000,000  |
| Conventional Mort.                 | \$52,040,000  |
| 11.5% 25 Yrs.<br>Gov. Debt Service | \$6,406,022   |



MEW 18  
Parcel 18  
Boston Redevelopment Authority  
March 27, 1986  
OPTION 2: 900,000 sq. ft. COMMERCIAL SPACE BUILT IN TWO PHASES (500 CAR GARAGE WITH NO WARE HOUSE)

| DEVELOPMENT PROGRAM: PHASE 1 |          |           |         |
|------------------------------|----------|-----------|---------|
|                              | Gross SF | 1 Eff. C. | Net SF  |
| Office (Support Space)       | 125,000  | 87,002    | 108,750 |
| Office (Executive Space)     | 275,000  | 87,002    | 235,420 |
| Retail                       | 50,000   | 87,002    | 41,500  |
| Performing Arts Center       | 0        | 0         | 0       |
| Residential                  | 0        | 80,002    | 0       |
| Garage                       | 0        | 0         | 0       |
| TOTAL                        | 450,000  |           | 389,500 |

| DEVELOPMENT PRO FORMA |         |              |  |
|-----------------------|---------|--------------|--|
|                       | Cost/SF | Cost         |  |
| HARD COSTS:           |         |              |  |
| Construction:         |         |              |  |
| Office                | \$100   | \$40,000,000 |  |
| Retail                | \$100   | \$5,000,000  |  |
| Resid.                | \$90    | \$0          |  |
| Garage (Cost/Space)   | \$0     | \$0          |  |
| TOTAL HARD COSTS:     |         | \$45,000,000 |  |

| SOFT COSTS:                        |              |              |  |
|------------------------------------|--------------|--------------|--|
| Architect/Eng.                     | \$2,025,000  |              |  |
| Percent of Hard Costs:             | 1,502        |              |  |
| Legal, Accounting, Mktg, Brokerage | \$5,000,000  |              |  |
| Constr. Loan Int./Financing Fees   | \$8,500,000  |              |  |
| Taxes, Insur., Permits, Fees       | \$2,500,000  |              |  |
| Rent-up Deficit                    | \$4,000,000  |              |  |
| TOTAL SOFT COSTS                   | \$22,025,000 |              |  |
| Percent of Hard Costs              | 48,942       |              |  |
| CONTINGENCY                        | \$3,150,000  |              |  |
| Percent of Hard Costs              | 7,002        |              |  |
| TOTAL DEVELOPMENT COSTS:           |              | \$70,175,000 |  |

COMBINED OPERATING PRO FORMA - First Stabilized Year of Phase 1 (Year 4)

|                                  | Income SF | Income      |              |
|----------------------------------|-----------|-------------|--------------|
| PHASE 1 (100 Vacancy)            |           |             |              |
| Office:                          | (Support) | \$28,20     | \$2,241,559  |
|                                  | (Exec)    | \$33,35     | \$6,276,365  |
| Retail                           |           | \$21,44     | \$586,015    |
| Subtotal Phase 1 Income:         |           |             | \$9,203,939  |
| PHASE 2 (125 Vacancy)            |           |             |              |
| Office:                          | (Support) | \$26,20     | \$2,040,354  |
|                                  | (Exec)    | \$33,35     | \$5,272,990  |
| Retail                           |           | \$21,44     | \$560,432    |
| Subtotal Phase 2 Income:         |           |             | \$9,873,777  |
| TOTAL GROSS INCOME PHASES 1 & 2: |           |             | \$19,077,716 |
| Vacancy @ 10%:                   |           |             | (Inc. above) |
| Net Parking Income:              |           |             | \$505,106    |
| EFFECTIVE GROSS INCOME:          |           |             | \$19,582,822 |
| EXPENSES: PHASE 1 & 2            |           |             |              |
| Operating Expenses:              |           |             |              |
| Office                           | \$3,00    | \$3,480,000 |              |
| Retail                           | \$3,00    | \$415,000   |              |
| Real Estate Taxes                |           | \$4,124,403 |              |
| Limage Payments                  |           | \$466,667   |              |
| TOTAL EXPENSES PHASE 1 & 2:      |           |             | \$8,076,070  |
| NET OPERATING INCOME             |           |             | \$9,736,753  |
| Mold Dev Fund (5% of NOI)***     |           |             | \$0          |
| NOIC (NOI/100)                   |           |             | 6.342        |

| DEVELOPMENT PROGRAM: PHASE 2 (Const. begins in yr. 1 of Phase 1) |          |           |         |
|------------------------------------------------------------------|----------|-----------|---------|
|                                                                  | Gross SF | 2 Eff. C. | Net SF  |
| Office (Support Space)                                           | 125,000  | 87,002    | 108,750 |
| Office (Executive Space)                                         | 275,000  | 87,002    | 235,420 |
| Retail                                                           | 50,000   | 87,002    | 41,500  |
| Residential                                                      | 0        | 80,002    | 0       |
| Garage                                                           | 0        | 0         | 0       |
| TOTAL                                                            | 450,000  |           | 389,500 |

| DEVELOPMENT PRO FORMA (Development begins in yr 2 of Phase 1) |         |              |  |
|---------------------------------------------------------------|---------|--------------|--|
|                                                               | Cost/SF | Cost         |  |
| ACQUISITION COSTS:                                            |         |              |  |
| 400,000 SF @ \$10.00/SF                                       |         | \$4,000,000  |  |
| HARD COSTS:                                                   |         |              |  |
| Construction:                                                 |         |              |  |
| Office                                                        | \$110   | \$44,000,000 |  |
| Retail                                                        | \$110   | \$5,500,000  |  |
| Resid.                                                        | \$100   | \$0          |  |
| Garage (Cost/Space)                                           | \$0     | \$0          |  |
| TOTAL HARD COSTS:                                             |         | \$49,500,000 |  |

| SOFT COSTS:                        |              |              |  |
|------------------------------------|--------------|--------------|--|
| Architect/Eng.                     | \$2,227,500  |              |  |
| Percent of Hard Costs:             | 1,502        |              |  |
| Legal, Accounting, Mktg, Brokerage | \$5,000,000  |              |  |
| Constr. Loan Int./Financing Fees   | \$8,500,000  |              |  |
| Taxes, Insur., Permits, Fees       | \$2,000,000  |              |  |
| Rent-up Deficit                    | \$4,000,000  |              |  |
| TOTAL SOFT COSTS                   | \$21,727,500 |              |  |
| Percent of Hard Costs              | 43,892       |              |  |
| CONTINGENCY                        | \$3,465,000  |              |  |
| Percent of Hard Costs              | 7,002        |              |  |
| TOTAL DEVELOPMENT COSTS:           |              | \$78,692,500 |  |

COMBINED OPERATING PRO FORMA - First Stable Yr. of Phase 2 (Year 5)

|                              | Income SF | Income      |              |
|------------------------------|-----------|-------------|--------------|
| PHASE 1 (100 Vacancy)        |           |             |              |
| Office:                      | (Support) | \$27,77     | \$2,241,559  |
|                              | (Exec)    | \$33,35     | \$6,276,365  |
| Retail                       |           | \$22,72     | \$586,015    |
| Subtotal Phase 1 Income:     |           |             | \$9,203,939  |
| PHASE 2 (100 Vacancy)        |           |             |              |
| Office:                      | (Support) | \$33,35     | \$2,493,426  |
|                              | (Exec)    | \$33,35     | \$6,981,560  |
| Retail                       |           | \$22,72     | \$560,432    |
| Subtotal Phase 2 Income:     |           |             | \$10,035,418 |
| TOTAL GROSS INCOME           |           |             | \$19,239,357 |
| Vacancy @ 10%:               |           |             | (Inc. above) |
| Net Parking Income:          |           |             | \$520,260    |
| EFFECTIVE GROSS INCOME       |           |             | \$19,959,617 |
| EXPENSES: PHASE 1 & 2        |           |             |              |
| Operating Expenses:          |           |             |              |
| Office                       | \$3,00    | \$3,480,000 |              |
| Retail                       | \$3,00    | \$415,000   |              |
| Real Estate Taxes            |           | \$4,227,513 |              |
| Limage Payments              |           | \$466,667   |              |
| TOTAL EXPENSES PHASE 1 & 2   |           |             | \$8,589,180  |
| NET OPERATING INCOME         |           |             | \$11,370,437 |
| Mold Dev Fund (5% of NOI)*** |           |             | \$0          |
| NOIC (NOI/100)               |           |             | 7.762        |

FINANCING - Phase 1 (1987-1989)

|                      |               |
|----------------------|---------------|
| 10C                  | \$10,175,000  |
| Equity (820C)        | \$14,035,000  |
| Soft Mortgage        | \$15,000,000  |
| 10B5                 | \$0           |
| Conventional Mort.   | \$41,100,000  |
| Ann. Debt Service    | \$4,918,867   |
| NET OPERATING INC.   | \$9,736,753   |
| Before Tax Cash Flow | (\$2,792,152) |
| Cash on Cash Ret.    | -19,302       |
| 10C/E/Equity)        |               |

FINANCING - Phase 2 (1989-1991)

|                      |              |
|----------------------|--------------|
| 10C                  | \$18,692,500 |
| Equity (820C)        | \$15,738,500 |
| Conventional Mort.   | \$62,954,000 |
| Ann. Debt Service    | \$7,527,038  |
| NET OPERATING INC.   | \$11,345,468 |
| Before Tax Cash Flow | (\$900,437)  |
| Cash on Cash Ret.    | -6,421       |
| 10C/E/Equity)        |              |

Identical and Garage components are developed and operated separately as Performing Arts Center is developed and financed separately. The cost of the project is estimated to be \$50 million (\$80/\$5F). NOB paved only if NOI is sufficient to cover debt service.



180P3

Parcel 18  
 Option #3: 1,000,000 sq. ft. COMMERCIAL SPACE (600 CAR GARAGE--NO UDAE LOAN)  
 Boston Redevelopment Authority  
 March 27, 1986

DEVELOPMENT PROGRAM:

|                          | Gross SF  | % Effici. | Net SF  |
|--------------------------|-----------|-----------|---------|
| Office (Support Space)   | 250,000   | 87.00%    | 217,500 |
| Office (Executive Space) | 550,000   | 87.00%    | 478,500 |
| Retail                   | 200,000   | 83.00%    | 166,000 |
| Residential              | 0         | 80.00%    | 0       |
| Garage                   | 0         |           | 0       |
| TOTAL                    | 1,000,000 |           | 862,000 |

DEVELOPMENT PRO FORMA

HARD COSTS:

|                     | Cost/SF  | Cost         |
|---------------------|----------|--------------|
| Construction:       |          |              |
| Office              | \$100    | \$80,000,000 |
| Office              | \$100    | \$20,000,000 |
| Retail              | \$90     | \$0          |
| Resid.              | \$0      | \$0          |
| Garage (Cost/Space) | \$27,000 | \$0          |
| Foundation Premium  |          | \$0          |

TOTAL HARD COSTS: \$100 \$100,000,000

SOFT COSTS:

|                                    |              |
|------------------------------------|--------------|
| Architecture/Eng.                  | \$4,500,000  |
| Percent of Hard Costs:             | 4.50%        |
| Legal, Accounting, Mktg. Brokerage | \$6,500,000  |
| Legal, Accounting, Mktg. Brokerage | \$3,000,000  |
| Const. Loan Int./Financing Fees    | \$4,000,000  |
| Taxes, Insur., Permits, Fees       | \$5,000,000  |
| Rent-up Deficit                    | \$29,000,000 |
| TOTAL SOFT COSTS                   | \$29,000,000 |
| Percent of Hard Costs              | 29.00%       |

|                       |             |
|-----------------------|-------------|
| CONTINGENCY           | \$7,000,000 |
| Percent of Hard Costs | 7.00%       |

TOTAL DEVELOPMENT COSTS: \$136,000,000

\*Residential and Garage components are developed and operated separately

OPERATING PRO FORMA - First Stabilized Year

|                  | Income SF | Income       |
|------------------|-----------|--------------|
| INCOME**         |           |              |
| Office (Support) | \$22      | \$4,483,118  |
| Office (Exec)    | \$28      | \$12,552,731 |
| Retail           | \$18      | \$2,744,060  |
| Residential      | \$0       | \$0          |

TOTAL GROSS INCOME \$19,779,905  
 Vacancy @ 10% incl. above

Subtotal \$19,779,905

Net Parking Income \$336,890

EFFECTIVE GROSS INCOME \$20,116,795

EXPENSES

|                    |     |             |
|--------------------|-----|-------------|
| Operating Expenses | \$5 | \$3,480,000 |
| Office             | \$5 | \$830,000   |
| Retail             | \$0 | \$0         |
| Garage             | \$0 | \$0         |

Real Estate Taxes \$3,674,351  
 Linkage Payments \$375,000

TOTAL EXPENSES \$8,359,351

NET OPERATING INCOME \$11,757,448

Ngbd Dev Bank (5% of NOI)\*\*\* \$9

FOTOC (NOI/TOC) 8.65%

Debt Service \$11,546,595

Before Tax Cash Flow \$210,853

Cash on Cash Ret. (37OC/EBDITY) 0.78%

FINDING

|                                |               |
|--------------------------------|---------------|
| TOC                            | \$136,000,000 |
| Equity (80%)                   | \$27,200,000  |
| Soft Mortgage                  | \$15,000,000  |
| UDAG Mortgage                  | \$0           |
| Conventional Mort.             | \$93,800,000  |
| 11.5% 25 yrs. Am. Debt Service | \$11,546,595  |

\* First Stabilized Year is Year 4  
 \*\* Rents shown are year 1 base rents.  
 Income is based on 6% escalation and four year rent-up.  
 \*\*\* NDR payed only if NOI is sufficient



180P4

Parcel 1B  
 OPTION #4: 1,200,000 sq. ft. COMMERCIAL SPACE (600 CAR GARAGE-- NO MDCT LOAN)  
 Boston Redevelopment Authority  
 March 27, 1986

## DEVELOPMENT PROGRAM:

|                          | Gross SF  | % Effici. | Net SF    |
|--------------------------|-----------|-----------|-----------|
| Office (Support Space)   | 300,000   | 87.00%    | 261,000   |
| Office (Executive Space) | 700,000   | 87.00%    | 609,000   |
| Retail                   | 200,000   | 83.00%    | 166,000   |
| Residential              | 0         | 80.00%    | 0         |
| Garage                   | 0         |           | 0         |
| TOTAL                    | 1,200,000 |           | 1,036,000 |

## DEVELOPMENT PRO FORMA

## HARD COSTS:

|                     | Cost/BSF | Cost          |
|---------------------|----------|---------------|
| Construction:       |          |               |
| Office              | \$100    | \$100,000,000 |
| Retail              | \$100    | \$20,000,000  |
| Resid.              | \$90     | \$0           |
| Garage (Cost/Space) | \$77,000 | \$0           |
| Foundation Premium  |          | \$0           |

TOTAL HARD COSTS: \$100 \$120,000,000

## SOFT COSTS:

|                                   |             |
|-----------------------------------|-------------|
| Architecture/Eng.                 | \$5,400,000 |
| Percent of Hard Costs:            | 4.50%       |
| Legal, Accounting, Mtg, Brokerage | \$6,500,000 |
| Consilr Loan Int./Financing Fees  | \$9,000,000 |
| Taxes, Insur., Permits, Fees      | \$4,000,000 |
| Rent-up Deficit                   | \$5,000,000 |

TOTAL SOFT COSTS

Percent of Hard Costs \$29,900,000 24.92%

CONTINGENCY \$8,400,000 7.00%

TOTAL DEVELOPMENT COSTS: \$158,300,000

## OPERATING PRO FORMA - First Stabilized Year

|                   | Income SF | Income       |
|-------------------|-----------|--------------|
| INCOME:           |           |              |
| Office: (support) | \$22      | \$5,179,742  |
| Office: (exec)    | \$28      | \$13,726,203 |
| Retail            | \$18      | \$2,744,060  |
| Residential       |           | \$0          |

TOTAL GROSS INCOME \$21,100,004

Vacancy @ 10% incl. above

Subtotal \$24,100,004

Net Parking Income \$336,990

EFFECTIVE GROSS INCOME \$24,436,994

EXPENSES

Operating Expenses \$5 \$4,350,000

Retail \$5 \$930,000

Garage \$0 \$0

Real Estate Taxes \$4,276,333

Linkage Payments \$458,333

TOTAL EXPENSES (\$9,914,666)

NET OPERATING INCOME \$14,522,228

Mgdb. Dev. Bant (5% of NOI)\*\*\* \$726,111

ROTDC (NOI/100) 9.17%

Debt Service \$13,742,664

Before Tax Cash Flow \$779,564

Cash on Cash Ret. (BTCF/EQUITY) 2.46%

\*\*\*\*\* First Stabilized Year is Year 4

\*\*\*\*\* Rents shown are Year 1 base rents, income is based on 6% escalation and four year rent-up. \*\*\*\*\* NOI is sufficient to cover debt service.

## FINANCING

|                    | TFC |               |
|--------------------|-----|---------------|
| Equity (80%)       |     | \$31,660,000  |
| Soft Mortgage      |     | \$15,000,000  |
| USAB Mortgage      |     | \$0           |
| Conventional Mort. |     | \$111,640,000 |
| 11.5% 25 Yrs.      |     |               |
| Ann. Debt Service  |     | \$13,742,664  |



186ARAGE

Parcel 18/Barage w/500 spaces

Boston Redevelopment Authority  
March 4, 1996

DEVELOPMENT PRO FORM

HARD COSTS:

| Cost/Space               | Cost         |
|--------------------------|--------------|
| Garage Construction Cost | \$13,500,000 |
| TOTAL HARD COSTS:        | \$13,500,000 |

SOFT COSTS:

|                                  |              |
|----------------------------------|--------------|
| Architect/Eng.                   | \$507,500    |
| Percent of Hard Costs:           | 4.50%        |
| Legal, Accounting, Mktg.         | \$600,000    |
| Capital Loan Int./Financing Fees | \$4,000,000  |
| Taxes, Insur., Permits, Fees     | \$450,000    |
| TOTAL SOFT COSTS                 | \$5,657,500  |
| Percent of Hard Costs            | 41.91%       |
| CONTINGENCY                      | \$945,000    |
| Percent of Hard Costs            | 7.00%        |
| TOTAL DEVELOPMENT COSTS:         | \$20,102,500 |
| TOT/Space                        | \$40,205     |

OPERATING PRO FORM

| Potential Gross Income | # Spaces | Period/Yr | 1988 Rate   | Rate        | Income      |
|------------------------|----------|-----------|-------------|-------------|-------------|
| Monthly                | 350      | 12 months | \$110.00/mo | 1.0 x/month | \$42,000    |
| Daily Long-Term        | 50       | 250 days  | \$7.50/day  | 1.1 x/day   | \$105,125   |
| Daily Short-Term       | 100      | 250 days  | \$5.00/day  | 2.4 x/day   | \$1,200,000 |
| Evening Short-Term     | 100      | 250 days  | \$5.00/day  | 1.0 x/day   | \$125,000   |
| Evening Long-Term      | 150      | 12 months | \$15.00/mo  | 1.0 x/day   | \$135,000   |
| Saturday/Holiday       | 250      | 63 days   | \$4.00/day  | 1.0 x/day   | \$98,200    |
| Sunday                 | 250      | 52 days   | \$4.00/day  | 1.0 x/day   | \$1,500     |

Potential Gross Revenues:

Predicted Vacancies: 5%

Effective Gross Revenues:

Operating Expenses:

|                          |           |
|--------------------------|-----------|
| Garage Operations        | \$150,749 |
| Valet Parking Operations | \$0       |
| Garage Management        | \$0       |
| Building Maint./Repair   | \$0       |
| Building Insurance       | \$0       |
| Subtotal                 | \$150,749 |

NET OF OPERATIONS

ROI/DC (Return on Total Development Costs)

Debt Service

Before Tax Cash Flow

\*Based on rule of thumb of 15% of income  
\*\* Financing Assumptions

|             |
|-------------|
| \$1,001,430 |
| \$539,184   |
| \$462,244   |

|             |
|-------------|
| \$1,254,925 |
| \$52,746    |
| \$1,192,179 |



186AB600

Parcel 18/Garage w/600 spaces  
 Boston Redevelopment Authority  
 March 4, 1986

# DEVELOPMENT PRO FORM

## HARD COSTS:

| Garage Construction Cost | Cost/Space | Cost         |
|--------------------------|------------|--------------|
|                          | \$27,000   | \$16,200,000 |
| TOTAL HARD COSTS:        |            | \$16,200,000 |

## SOFT COSTS:

|                                 |              |
|---------------------------------|--------------|
| Architecture/Eng.               | \$729,000    |
| Legal, Accounting, Mktg.        | \$300,000    |
| Const. Loan Int./Financing Fees | \$300,000    |
| Taxes, Insur., Permits, Fees    | \$500,000    |
| TOTAL SOFT COSTS                | \$1,829,000  |
| Percent of Hard Costs           | 38.69%       |
| CONTINGENCY                     | \$1,134,000  |
| Percent of Hard Costs           | 7.00%        |
| TOTAL DEVELOPMENT COSTS:        | \$23,763,000 |
| TDC/Space                       | \$47,526     |

# OPERATING PRO FORM

| Potential Gross Income | # spaces Period/Yr | 1988 Rate | Rate       | Income      |           |
|------------------------|--------------------|-----------|------------|-------------|-----------|
| Monthly                | 400                | 12 months | \$110./mon | 1.0 x/month | \$528,000 |
| Daily Long-Term        | 75                 | 250 days  | \$7.50/day | 1.1 x/day   | \$154,888 |
| Daily Short-Term       | 125                | 250 days  | \$5.00/day | 2.4 x/day   | \$775,000 |
| Evening Short-Term     | 125                | 250 days  | \$5.00/day | 1.0 x/day   | \$156,250 |
| Evening Long-Term      | 200                | 12 months | \$75./mon  | 1.0 x/day   | \$180,000 |
| Saturday/Holiday       | 400                | 63 days   | \$4.00/day | 1.0 x/day   | \$109,800 |
| Sunday                 | 250                | 52 days   | \$4.00/day | 1.0 x/day   | \$152,000 |

Potential Gross Revenues:  
 Predicted Vacancies-5%  
 Effective Gross Revenues:

Operating Expenses:  
 Garage Operations\*  
 Valet Parking Operations  
 Garage Management  
 Building Maint./Repair  
 Building Insurance

NET OF OPERATIONS  
 POTNC (NOI/TDC)

Debt Service

Before Tax Cash Flow

\*Based on rule of thumb of 1% of income  
 \*\* Financing Assumptions:  
 \$15,000,000 development contribution  
 8.5% bond financing for 20 years



